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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1938

No. 227

INLAND STEEL COMPANY, APPELLANT,

vs.

**THE UNITED STATES OF AMERICA, INTERSTATE
COMMERCE COMMISSION AND INDIANA HAR-
BOR BELT RAILROAD COMPANY**

No. 228

**CHICAGO BY-PRODUCT COKE COMPANY,
APPELLANTS,**

vs.

**THE UNITED STATES OF AMERICA, INTERSTATE
COMMERCE COMMISSION, THE BELT RAILWAY
COMPANY OF CHICAGO, ET AL.**

**APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR
THE NORTHERN DISTRICT OF ILLINOIS**

FILED JULY 28, 1938.

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INDEX.

	Original	Print
Record from D. C. U. S., Northern District of Illinois, Case		
No. 227	1	1
Caption (omitted in printing) ..	1	
Petition	3	1
Appendix "A"—Original report of I. C. C., ex Parte		
No. 104	22	14
Appendix "B"—Nineteenth supplemental report of		
I. C. C., ex Parte No. 104	91	66

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Record from D. C. U. S., Northern District of Illinois, Case
No. 227—Continued.

	Original	Print
Subpoena and marshal's return.....	99	71
Intervention of I. C. C.	102	72
Answer of I. C. C.	103	73
Answer of United States of America.....	109	75
Interlocutory injunction	114	78
Stipulation and order consolidating cases (omitted in printing)	118	
Notice of motion for further hearing (omitted in print- ing)	122	
Order of I. C. C. postponing effective date of order, ex Parte No. 104	123	80
Findings of fact and conclusions of law	126	81
Final decree	140	93
Notice of motion for modification of decree (omitted in printing)	143	
Motion to modify final decree.....	146	94
Exhibit "A"—Indiana Harbor Belt Tariff No. 830 and supplements thereto.....	150	97
Order denying motion to modify final decree.....	156	101
Petition for appeal.....	158	101
Assignments of error	159	102
Order allowing appeal.....	163	103
Notices of appeal	165	
(omitted in printing) ..		
Præcipe for transcript of record.....	170	104
Bond on appeal.....	173	
(omitted in printing) ..		
Clerk's certificate	175	
(omitted in printing) ..		
Citation and service.....	176	
(omitted in printing) ..		
Record from D. C. U. S., Northern District of Illinois, Case No. 228	178	105
Caption	178	
(omitted in printing) ..		
Petition	181	106
Appendix "A"—Original report of I. C. C., ex Parte No. 104 (omitted in printing).....	200	
Appendix "B"—Fifty-sixth supplemental report and order of I. C. C., ex Parte No. 104.....	260	118
Subpoena and marshal's return.....	279	125
Answer of I. C. C.	282	126
Answer of United States of America.....	288	129
Appearance of Belt Ry. Co. of Chicago.....	293	131
Interlocutory injunction	295	131
Stipulation and order consolidating cases (omitted in printing)	298	
Notice of motion for further hearing (omitted in print- ing)	302	
Orders of I. C. C. postponing effective date of order, ex Parte No. 104.....	304	133
Findings of fact and conclusions of law (omitted in printing)	308	
Final decree	322	135

INDEX

iii

Record from D. C. U. S., Northern District of Illinois, Case No. 228—Continued.			Original	Print
Notice of motion for modification of decree (omitted in printing)			325	
Motion to modify final decree.....			328	136
Exhibit "A"—Belt Ry. Co. of Chicago Tariff No. 120 and supplements thereto.....			333	140
Exhibit "B"—Chicago & Illinois Western R. R. tariff No. 125-A and supplements thereto.....			340	145
Order denying motion to modify final decree.....			369	175
Petition for appeal			372	175
Assignments of error			373	176
Order allowing appeal.....			377	177
Notices of appeal..... (omitted in printing) ..			379	
Praecipe for transcript of record.....			384	178
Bond on appeal..... (omitted in printing) ..			387	
Clerk's certificate			389	
Citation and service..... (omitted in printing) ..			390	
Statement of points to be relied upon and designation as to printing record, Case No. 227.....			392	180
Statement of points to be relied upon and designation as to printing record, Case No. 228.....			398	182

[fols.1-3]

[Caption omitted]

[fol. 4]

**IN UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS, EASTERN
DIVISION**

In Equity. No. 14738

INLAND STEEL COMPANY

vs.

UNITED STATES OF AMERICA, INDIANA HARBOR BELT RAILROAD
COMPANY

PETITION—Filed August 5, 1935

To the Honorable the Judges of the District Court of the
United States for the Northern District of Illinois, East-
ern Division:

Your petitioner, Inland Steel Company, a corporation,
presents this its petition against United States of America
and Indiana Harbor Belt Railroad Company; and thereupon
petitioner respectfully states:

I

Petitioner is a corporation duly organized and existing
under the laws of the State of Delaware, with principal office
and principal operating office at Chicago, in the State of
Illinois and Northern District of Illinois, Eastern Division,
and owning and operating a plant at Indiana Harbor, In-
diana, where it is now and for many years past has been
engaged in the manufacture of steel and steel products; and
in the conduct of said business it receives at its plant large
quantities of raw commodities and other materials, and ships
large quantities of manufactured steel and other products
from said plant.

[fol. 5]

II

Respondent Indiana Harbor Belt Railroad Company is
a corporation under the laws of Indiana, with principal

operating office at Chicago, Illinois. It is a common carrier of property, by railroad, between Chicago, Illinois, Indiana Harbor, Indiana, and points in other states, and as such common carrier is subject to the Interstate Commerce Act, and owns and operates lines of railroad within said States of Indiana and Illinois. Said defendant transports interstate freight for delivery to petitioner's plant at Indiana Harbor, Indiana, and in like manner transports freight from said plant moving to destinations in other states.

III

Petitioner brings this suit in equity against the United States of America pursuant to an Act of Congress approved October 22, 1913, 38 statutes at large 219 (28 U. S. C. A. Sec. 41, subsections 45, 46, 47), and under the general equity jurisdiction of this Court, to enjoin, set aside and annul a certain report and order entered by the Interstate Commerce Commission on July 11, 1935, in a proceeding known as Ex Parte 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, said report and order being subtitled Nineteenth Supplemental Report of the Commission, Inland Steel Company Terminal Allowance; and to enjoin and restrain the respondent carrier from complying with the aforesaid order of the Commission entered July 11, 1935.

[fol. 6]

IV

The said Commission, on its own motion, entered an order under date of July 6, 1931, without any complaint having been made to or petition filed with said Commission, according to petitioner's information and belief, which said order was in words and figures as follows:

"Order

At a General Session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 6th day of July, A. D. 1931.

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Sections 12 and 15 (a) of the interstate commerce act being under consideration, and the commission desiring to

know whether certain practices of carriers by railroad subject to the act will affect operating revenues or expenses are lawful and consistent with economical and efficient management, and to have full and complete information necessary to perform its duties; all with a view to making such order or orders or findings of fact as may be appropriate under the interstate commerce act:

It is ordered, That the commission on its own motion and without formal pleading, enter upon a proceeding of inquiry and investigation into and concerning practices of carriers by railroad subject to the interstate commerce act which affect operating revenues or expenses;

It is further ordered; That copies of this order be served upon all common carriers by railroad subject to the interstate commerce act; and that such carriers be made respondents to this proceeding;

And it is further ordered, That this proceeding be assigned for hearing at such times and places and with respect [fol. 7] to such practices as the commission may hereafter direct.

By the Commission.

George B. McGinty, Secretary. (Seal.)"

Petitioner presumes that aforesaid order was served upon all so-called class I carriers by railroad subject to the Act, and therefore avers that said order was served upon each of the carriers respondents thereto, including Indiana Harbor Belt Railroad Company.

Subsequently, the Commission issued its notice under date of August 13, 1931, entitled: "Ex Parte No. 104, Part II, Terminal Services of Class I Carriers. Notice of Information to be sought at hearings." In said notice, the Commission ostensibly defined "in scope and restriction" said Part II of the aforesaid general inquiry as intended to establish facts concerning various services, charges and practices of carriers subject to the Act, including among others, terminal services and practices in the receipt and delivery of carload freight, including the spotting of cars, and all services and privileges, except transit and lighterage, incident to said terminal services within the meaning of Section 6 of the Interstate Commerce Act, which affect the measure of the transportation service performed at the line-haul rates and the value of such services to the consignors and consignees; the extent to which the line-haul rates include

charges for such services; allowances and absorptions made out of the line-haul rates; and the extent to which such services reach beyond the carriers' terminals to particular locations on private tracks, sidings, industrial plant tracks, and on the rails of industrial common carriers.

The Commission conducted extended hearings in said proceeding at numerous places, at various times from September 15, 1931, to November 21, 1932; thereafter a "proposed report" was prepared by the Commission's Director of Service, W. P. Bartel, before whom the hearings had been held; exceptions were filed by numerous parties; and oral argument before the Commission was had. Thereafter the Commission issued its report, dated May 14, 1935, without order (which report has subsequently been described by the Commission as its original report, and is hereinafter so referred to), in which it reviewed the subject matter of the inquiry generally and set forth its legal conclusions.

A copy of said original report of the Commission is attached hereto, marked Appendix A, and is made a part hereof as fully as though set forth at length herein.

On said 14th day of May, 1935, and thereafter on various dates, the Commission issued various so-called supplemental reports in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services. Among other such supplemental reports, the Commission entered on July 11, 1935, its Nineteenth Supplemental Report entitled Inland Steel Company Terminal Allowance.

A true copy of said Nineteenth Supplemental Report, together with the order attached thereto and entered on the same date, is attached to this petition, marked Appendix B, and is made a part hereof as fully as though set forth at length herein.

On July 19, 1935, petitioner filed with the Commission its petition for vacation of said order of July 11, 1935, or for postponement of the effective date thereof. This was denied or overruled by the Commission on July 26, 1935.

[fol. 9]

V

The uniform custom and practice of all common carriers, in the States of Illinois and Indiana, and in other states throughout the Union, including the carrier named

as respondent in this bill, is to state in their rate tariffs published and filed with the Commission the city, town or other station locality to and from which they undertake to transport freight at the rates and charges in such tariffs stated, without stating the precise spot in such city, town or station locality at which they undertake to receive or deliver such freight. Under such tariffs it is and for many years has been the uniform custom and practice to include within the carload freight rates established and maintained for the transportation of carload freight the complete service comprehended in (a) the providing and furnishing of a suitable car for transportation and the placement of the car at any point reasonably accessible and convenient for loading on standard gauge tracks serving any and all industrial plants; and after the freight has been loaded in said cars by consignor, to remove the same and transport the goods therein to destination; and (b) to deliver the carload freight by placing the car, wherein such freight is transported, at any point reasonably convenient for the unloading and removal of the freight from the car on the standard gauge tracks serving any and all industrial plants and to remove the empty car therefrom after the freight has been received and unloaded by the consignee. It is customary for railroads for various reasons sometimes to employ other railroad companies to complete their undertaking to spot the cars as aforesaid, and to pay such other railroads for such service, and sometimes to employ [fol. 10] the shipper or receiver of freight to complete said undertaking to spot the cars as aforesaid and in such cases to compensate by payments termed allowances to such shippers and receivers of freight for such service. Respondent carrier has followed generally such custom in serving shippers and receivers of freight over its lines of road.

Pursuant to such custom, respondent Indiana Harbor Belt Railroad Company has always provided in its tariffs that, for the compensation afforded by its established rates for transportation between designated cities, towns or other station localities, it would deliver and receive carload freight by the placement of the cars at any reasonable and convenient point for the loading or unloading thereof on the tracks serving the said plant of petitioner at Indiana Harbor, Indiana, the same as at all plants, industries and business establishments adjacent to its railroad and served by so-called private or industrial sidings.

The duly filed and published tariffs of respondent Indiana Harbor Belt Railroad Company and all other carriers in the States of Illinois and Indiana, and in other states of the United States, as in effect now and for more than twenty years past, name rates for transportation covering the complete services described in this paragraph, with respect to carload freight moving to and from any and all railroad terminals and industries, plants, warehouses or other business establishments; and the same rates have been applicable and have been applied by all of said carriers, whether carload shipments of freight originated on so-called public team tracks or on so-called private side tracks serving the plants, industries and other business establishments and whether such shipments were delivered on so-called public team tracks or on so-called private side tracks as aforesaid. [fol. 11] Respondent Indiana Harbor Belt Railroad Company operates a so-called belt railway or terminal railroad in the so-called Chicago switching district which has direct connections with practically all so-called trunk lines of railroad entering said Chicago district. Under the provisions of the tariffs of all said trunk line railroads entering Chicago, deliveries are made to all industries in the Chicago district, served by all railroads in said district, including all industries on said Indiana Harbor Belt Railroad, at a common rate. Likewise, outbound shipments from all industries in said Chicago district situated on all railroads in said district move at a common rate of freight, regardless of the particular point at which loaded.

VI

The record in the aforesaid investigation by the Commission in Ex Parte 104, Part II, contains abundant testimony by numerous witnesses supporting the averments in paragraph V hereof; and there is no evidence in said record to the contrary.

There is no evidence in said record that the carriers in serving any industry, plant, warehouse or other business establishment have sought to limit their duty or terminate their obligation under the line-haul rates by placement of cars at any point short of or intermediate to the place mutually agreed upon with the shipper or consignee as reasonable and convenient for the loading or unloading of carload freight.

[fol. 12]

VII

Petitioner Inland Steel Company for several years past has rendered the transportation service and furnished the instrumentalities employed in moving carloads of freight between the rails of respondent Indiana Harbor Belt Railroad Company adjacent to petitioner's plant, and convenient points of loading or unloading in said plant; an application for compensation in the form of allowance for such service was submitted by petitioner to said respondent in July, 1928; said application was considered by the respondent Indiana Harbor Belt Railroad Company. Said respondent conducted an investigation of the cost of performing the spotting service as a basis for allowance; the cost thereof was determined by such study to be \$1.98 per car, according to the formula employed by the carriers for such cost ascertainment and which formula omitted various factors of actual cost; and thereafter said respondent duly established an allowance of \$1.85 per car, effective October 25, 1930.

The aforesaid allowance of \$1.85 per car is less than the cost to petitioner of performing the placement services which are included in the establishes rates and which the allowance is designed to cover; and said allowance is less than it would cost the Indiana Harbor Belt Railroad Company to perform the service with its owned engines and regularly employed crews. These facts are established by uncontradicted evidence before the Commission in the record of said Ex Parte 104, Part II.

[fol. 13]

VIII

At all times since October 25, 1930, the duly filed and published tariff of respondent the Indiana Harbor Belt Railroad Company has been in force, providing payment of allowance by respondent to petitioner for the latter's transportation service of moving and placing cars at loading and unloading points in its plant; and said tariff currently effective provides as follows:

Indiana Harbor Belt Railroad Company
Local Freight Tariff Covering Allowances to Inland Steel
Company at Indiana Harbor, Indiana

*On all carload shipments (including trap cars containing 6,000 pounds or more of less carload freight) des-

* Reduction.

tined to or coming from the plant of the Inland Steel Company at Indiana Harbor, Ind., the terminal switching service is performed by the Inland Steel Company for account of the Indiana Harbor Belt Railroad Company. Such terminal switching service, for which this allowance is made, consists of the handling of the cars between the point of interchange of such cars with this company and the point at which such cars are unloaded or the point at which such cars are loaded in said plant.

For such terminal service performed for the Indiana Harbor Belt Railroad Company by the Inland Steel Company at Indiana Harbor, Ind., the Inland Steel Company will be allowed \$1.85 per loaded car which will include the handling of the empty cars in the reverse direction.

This allowance is not in excess of the average actual [fol. 14] cost of the service as disclosed in a joint study of the operation of the plant facility made during the year 1927, and filed with the Interstate Commerce Commission.

IX

Respondent carrier has filed with the Interstate Commerce Commission a tariff to become effective September 3, 1935, providing for the withdrawal and cancellation of the aforesaid allowance to petitioner, as follows:

Indiana Harbor Belt Railroad Company

Supplement No. 1 to Local Freight Tariff G. F. D. No. 505-A
Cancels Local Freight Tariff G. F. D. No. 505-A Covering
Allowances to Inland Steel Company at Indiana Harbor,
Indiana.

Cancellation Notice

The above numbered tariff is hereby withdrawn and cancelled.

Issued August 1, 1935. Effective September 3, 1935.

Issued in compliance with order of Interstate Commerce Commission Ex Parte 104, Part II, Terminal Services, Nineteenth Supplemental Report dated July 11, 1935.

Petitioner is informed by respondent that it would not have filed the aforesaid tariff cancelling said allow- [fol. 15] ance to petitioner were it not for the fear of incurring penalties for failure to comply with the aforesaid

order of the Interstate Commerce Commission entered July 11, 1935.

X.

The aforesaid order of the Commission instituting its investigation Ex Parte 104 on its own motion and without formal pleading, as set forth in paragraph IV of this petition, was not based upon any complaint or application of any sort submitted to the Commission by any person, either carrier or shipper, that the practice above described as in force at petitioner's plant was unreasonable, discriminatory, or in any way violation of law, so far as known to petitioner. In the branch of said proceeding designated Part II, Terminal Services of Class I carriers, in which the testimony relative to petitioner's plant was taken at Chicago, Illinois, during the hearing, October 28 to November 5, 1932, no party, either carrier or shipper, presented any testimony purporting to show that said practice at petitioner's plant was unreasonable or discriminatory or otherwise in violation of law in any respect. Petitioner's representative appeared at said hearing in response to a request addressed to petitioner by the Secretary of the Commission, and said representative in response to the call of the presiding Director of Service of the Commission became a witness and presented testimony describing said practice. No other testimony as to said practice at petitioner's plant was presented except on behalf of respondent Indiana Harbor Belt Railroad Company, which respondent was a party to said proceeding of investigation solely by virtue of the Commission's order instituting such investigation and making all so-called Class I railroads [fol. 16] of the United States respondents therein, and said respondent Indiana Harbor Belt Railroad Company presented its testimony in support of the existing practice and tariffs.

XI.

The said report and order of July 11, 1935, as above set forth, is unlawful and void in the following respects:

1. The Commission was without authority to make the said order.
2. The Commission failed to make requisite findings sufficient to support its order.

3. The Commission's said report and order are arbitrary and in violation of previous rulings as to the duty of a common carrier by railroad to perform the service of placement of empty cars for load at, and removal of loaded cars from, point of loading, and placement of loaded car at, and removal of empty car from, point of unloading, within the plant of the petitioner.

4. There was no evidence upon which the Commission could find—

(a) That the respondents have complied with their obligation to petitioner under their rates for interstate transportation to deliver and receive carload freight when they place the cars containing said freight on the so-called interchange tracks described of record or remove the cars therefrom;

(b) That the service of moving cars beyond the so-called interchange tracks is a plant service;

(c) That by the payment of an allowance to petitioner for service performed by it in moving cars containing interstate shipments beyond the interchange tracks, respondents provide the means by which petitioner enjoys [fol. 17] a preferential service not accorded to shippers generally;

(d) That to refund or remit a portion of the rates and charges collected or received as compensation for the transportation of property, as set forth in said supplemental report, is in violation of paragraph (7) of Section 6 of the Act.

5. The evidence on which the order is based shows conclusively that the terminal allowance paid by the respondent railroad company to petitioner is for a transportation service embraced within the service for which the respondent railroad company publishes, charges and receives the rates named in its tariffs of freight charges filed with the Interstate Commerce Commission; that the said terminal allowance is no more than just and reasonable and, being published in the tariffs of the respondent railroad company, is just as binding upon the respondent railroad company as is any rate named in its tariffs to be collected for the transportation of property by it in interstate commerce; and when the extent of the service of the carrier

in the receipt and delivery of freight to be performed for the line haul rate is made clear by the published tariffs of the carrier and by the course of business followed by the carrier as recited above, and when it is stated in a tariff of the carrier that an allowance is made to the shipper or receiver of the freight for the performance of a part of said service, and the amount of such allowance is stated, such tariff being duly published and established and in force, such service and such allowance can not be in violation of Section 6 of the Interstate Commerce Act.

6. In view of paragraph (13) of Section 15 of the Interstate Commerce Act, the Commission has no power to prohibit defendant railroad company from employing [fol. 18] plaintiff to furnish services or from using plaintiff's facilities in the transportation of plaintiff's property. The Commission has power only to determine whether the amount of the allowance paid by defendant railroad company to plaintiff for service and facilities is more than is just and reasonable for such services rendered and facilities furnished, and to fix a limit which shall not be exceeded in the payment therefor.

The Commission in its said order of July 11, 1935, forbidding any and all allowance to plaintiff for services rendered and facilities furnished, exceeded its authority and acted arbitrarily; therefore, the said order is void and of no effect.

7. The evidence wholly fails to show any violation of law by the petitioner or by the respondent railroad company in connection with the terminal allowance at petitioner's plant as above described.

8. The report and order were not entered after full hearing and due investigation; and petitioner was not accorded due notice and full hearing as required by the statute.

XII.

Petitioner has handled and will continue to handle for respondent railroad company loaded cars on which the terminal allowance payable as compensation for said handling is paid pursuant to the tariff of respondent carrier providing for such payment, and said service cannot be paid for or compensated except as authorized and provided by duly filed and published tariff. Unless

the order of the Commission be set aside and the respondent be required to withdraw its canceling tariff, plaintiff will be compelled to perform said service of transportation for the benefit of respondent railroad company but at its own cost and expense, without the possibility of payment being made by the respondent railroad company in the absence of tariff authority, thereby subjecting petitioner to irreparable loss and injury.

The petitioner so handles for respondent railroad company more than 4,000 cars per month, on the average, on which the aforesaid switching allowance payable to and received by petitioner in accordance with aforesaid tariff from respondent Indiana Harbor Belt Railroad Company, amounts to not less than Seven Thousand Five Hundred Dollars (\$7,500), monthly, on the average. The expense which petitioner will be compelled to assume and bear, if respondent's aforesaid tariff providing said allowance is cancelled, will be in excess of \$1.85 per car, amounting in the aggregate excess to more than \$7,500 monthly, on the average, thereby subjecting petitioner to irreparable loss and injury, as aforesaid.

In consideration whereof and inasmuch as your petitioner has no adequate remedy at law, and may have relief only in a Court of Equity, petitioner prays that this petition be received and filed; that writs of subpoena be issued by the Clerk of the Court, as provided by law, commanding the United States of America and the Indiana Harbor Belt Railroad Company to appear and defend this action; that notice hereof be given to the Attorney General of the United States and to the Interstate Commerce Commission; that upon the filing of this bill the Judge of this Court call to his assistance two other Judges, one of whom shall be a Circuit Judge, and that upon five days' notice of the time and place of hearing having been given to the Attorney General of the United States and to the Interstate Commerce Commission and [fol. 20] to said respondent carrier, the petitioner be granted an interlocutory injunction restraining the United States of America and the Interstate Commerce Commission from enforcing the terms of said order which requires respondent carrier to cease and desist on or before September 3, 1935, and thereafter to abstain from the practice in said order described; and that upon final hearing

of this case, a decree be entered adjudging the said order to be in all respects null and void and permanently enjoining, annulling and setting aside the enforcement, operation and execution of said order.

And petitioner further prays that a preliminary or interlocutory order or injunction be entered, requiring the railroad respondent to cancel the tariffs herein referred to, filed in alleged conformity with the said order of the Commission, and suspending the cancellation of the terminal allowance now being paid petitioner, until final determination of this cause, and that upon the final hearing herein, a decree be entered perpetually enjoining, suspending, annulling and setting aside the said tariffs and requiring the said carrier respondent to file new tariffs restoring the terminal allowances in effect on July 10, 1935, on interstate traffic handled by the petitioner at its said plant at Indiana Harbor, Indiana, unless and until changed by agreement of the parties or by a lawful decision of the Interstate Commerce Commission.

Petitioner further prays, inasmuch as the purpose of the foregoing prayers for relief is to set aside the order of the Commission of July 11, 1935, and to restore the status quo of July 10, 1935, for such other and further orders or decrees as may be necessary to set aside said order of the Interstate Commerce Commission and to require the railroad respondents to vacate, annul and set aside any and all action which may have been taken under [fol. 21] and by reason of said order of the Commission, and to take such action as may be necessary to restore the parties and properties affected by said order to the status of July 10, 1935, and for such further and other relief in the premises as the nature of the case shall require, and to this Court shall seem meet.

Luther M. Walter, Nuel D. Belnap, John S. Burchmore, Solicitors for Petitioner. Walter, Burchmore & Belnap, 1522 First National Bank Bldg., Chicago, Ill.

Duly sworn to by W. J. Hammond. Jurat omitted in printing.

INTERSTATE COMMERCE COMMISSION

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II

Terminal Services

Submitted October 17, 1934. Decided May 14, 1935

Upon investigation into practices of carriers affecting operating revenues or expenses with relation to terminal service of Class I carriers by railroad, found that:

1. When a carrier is prevented from performing an uninterrupted service to the points of loading or unloading within the confines of an industrial plant because of some action or disability of the industry or its plant, the carrier's duty with respect to the delivery or receipt of cars does not extend beyond the point of interruption or interference, and any allowance to the industry for performing the service beyond such points or the performance of service by the [fol. 23] carrier beyond such points without proper charge is unlawful in violation of section 6 of the act.

2. At many industries delivery and receipt of freight is effected by carriers on interchange tracks because of interference or interruption to the work of both the industry and the carrier which would be encountered beyond such tracks. Under such circumstances, delivery or receipt on such tracks constitutes delivery or receipt under the line-haul rates.

3. When the spotting service at an industry requires a service in excess of that required in making simple placement or the equivalent of team track spotting, such service is in excess of that required of a common carrier under its line-haul rate, and any allowance to the industry for performing such service or the performance thereof by the carrier without charge over and above the line-haul rate is unlawful in violation of section 6 of the act.

4. The payment by respondents of allowances to individual industries for the performance of spotting service

at the latter's convenience, or the assignment by respondents of locomotives to perform similar service without charge, dissipates respondents' funds and revenues, to be not in conformity with efficient and economical management as contemplated by the Interstate Commerce Act, and not in the public interest.

Ex Parte No. 104, Part II—Sheet 2

Sidney S. Alderman, Harry I. Allen, C. L. Andrus, B. S. Atkinson, Thomas Balmer, J. R. Barse, B. F. Batts, C. S. Beattie, Charles S. Belsterling, J. R. Bell, E. E. Bennett, L. J. Birch, Charles H. Blatchford, Elmer F. Blu, M. L. Blum, H. D. Boynton, J. R. Branley, G. P. Brock, William S. Bronson, C. W. Brosius, Clyde Brown, N. S. Brown, H. L. Burford, C. S. Burg, E. H. Burgess, T. H. Burgess, E. W. Camp, [fol. 24] William D. P. Carey, E. G. Clark, A. F. Cleveland, F. A. Cleveland, A. J. Clynych, A. L. Coey, W. A. Cole, William W. Collin, Jr., William C. Combs, John F. Connors, John J. Danhof, L. B. da Ponte, A. G. Davis, J. N. Davis, Tom Martin Davis, W. E. Davis, W. G. Degelow, Ernest C. Dempsey, Robert F. Denison, T. F. Dooley, E. G. Dorety, George Cochran Doub, F. M. Dudley, Gerald E. Duffy, Fayette B. Dow, G. G. Earley, O. G. Edwards, A. H. Elder, Charles E. Elmquist, W. F. Everding, W. Hal Farr, George H. Fernald, Allister Fraser, J. A. Gallaher, F. M. Garland, P. F. Gault, T. D. Gresham, C. L. Groom, W. L. Grubbs, A. J. Grummett, August G. Gutheim, R. J. Hagman, E. J. Halberg, C. A. Halpin, M. Carter Hall, A. S. Halsted, Charles A. Hart, Henry J. Hart, Thomas P. Healy, Carl R. Henry, C. C. Hine, George W. Holmes, E. E. Horton, C. A. Hunt, George W. Imgrund, Bronson Jewell, Harry R. Jones, L. C. Jorgensen, F. A. Key, A. G. Kingsley, A. H. Kiskaddon, John B. Keeler, Jarvis Langdon, Jr., W. J. Larrabee, H. H. Larimore, A. H. Lossow, J. A. Lynch, James E. Lyons, Thomas H. Maguire, Andrew P. Martin, Eldon M. Martin, James Martinbee, G. B. Mathews, Frederic D. McCarthy, H. H. McElroy, Walter McFarland, W. N. McGehee, L. L. McIntyre, C. B. McManus, Carleton W. Meyer, W. R. Middleton, Clark H. Miley, Clarence A. Miller, J. H. Miller, E. B. Moffatt, Frank H. Moore, A. R. Morton, P. K. Motheral, G. H. Muckley, John W. Murphy, H. T. Newcomb, George S. Nichols, E. R. Oliver, Guernsey Orcutt, George P. Orlady, Conrad Olson, R. S. Outlaw, James V.

Oxtoby, R. G. Parks, W. F. Peter, Marion B. Pierce, Roy Pope, Horace H. Powers, Thomas L. Preston, C. M. Price, H. M. Quigley, J. T. Quisenberry, W. A. Rambach, L. C. Reddish, K. L. Richmond, W. A. Robbins, M. G. Roberts, Fletcher Rockwood, G. B. Ross, William R. Seaton, John C. Shields, H. D. Sheean, J. R. Skillman, F. V. Slocum, C. A. Smith, C. [fol. 25] H. Smith, Dana T. Smith, Elmer A. Smith, J. M. Souby, H. V. Spike, B. H. Stanage, C. P. Stewart, W. J. Stevenson, James Stillwell, H. A. St. John, Edward F. Stock, William F. Strang, L. H. Strasser, C. C. Straub, O. E. Swan, G. M. Swanstrom, A. Syverson, J. H. Tallichet, M. W. Thomas, Robert Thompson, D. L. Tilley, F. H. Towner, William Jay Turner, John L. Tye, Jr., Arthur Van Meter, H. L. Walker, Fred L. Wallace, Charles R. Webber, R. E. Wedekind, M. J. Welsh, R. F. White, H. R. Wilkinson, Eugene S. Willams, Felix M. Williams, George Williams, Maurice Williams, W. K. Williams, L. F. Wilson, C. T. Wolfe, J. W. Womble, Frederick H. Wood, D. S. Wright, James F. Wright, J. C. Wroton, and D. Lynch Younger for respondents and other carriers.

G. T. Avery, Ernie Adamson, F. A. Allen, Harry I. Allen, C. O. Applehagen, Clinton S. Abbott, Charles J. Austin, J. R. Allen, R. C. Allen, A. G. Anderson, Baker, Botts, Andrews & Wharton, Thomas Balmer, H. H. Bascom, John W. Bingham, H. J. Bennett, T. E. Banning, W. J. Bailey, Wm. C. Boyd, F. C. Broadway, J. C. Beck, J. W. Brown, Clifford H. Browder, F. G. Buck, H. O. Berger, M. P. Bauman, George P. Boyle, John S. Burchmore, Nuel D. Belnap, Frederick E. Brown, T. H. Burgess, L. H. Brenner, J. E. Bryan, Fred B. Blair, Frank F. Bergstrom, D. L. Bennett, T. C. Burwell, George E. Clinton, W. Clive Crosby, Joseph W. Connolly, W. P. Coughlin, John R. Cochran, J. A. Coakley, J. E. Considine, R. B. Coapstick, J. P. Cassidy, W. G. Clayton, A. J. Clynych, Johnston B. Campbell, Willis Crane,

Ex Parte No. 104, Part II—Sheet 3

Carl R. Cunningham, G. B. Cromwell, Calvin A. Campbell, Jr., Call & Murphy, William W. Collin, Jr., H. W. Chapman, F. H. Compton, H. J. Carey, L. W. Cobb, W. H. Chandler, Benjamin Conliff, William H. Connell, F. M. Crawford, [fol. 26] A. W. Clapp, Cravath, de Gersdorff, Swaine & Wood, J. C. Davie, J. B. Dempsey, F. A. Dobber, Ralph H. Drake, Fayette B. Dow, W. H. Day, G. J. Durpey, Edward

S. DePass, G. L. Dalton, Walter David, J. R. Davis, Floyd C. Davis, James F. Dougherty, R. H. Duna, J. N. Deller, W. Burl Dalton, Wm. A. Dougherty, J. G. Dickson, E. W. Demarest, John C. Dunn, Arthur W. Dowds, Charles Donley, W. F. Everding, A. C. Ellis, Jr., H. S. Elkins, W. W. Eismann, R. Z. Eaton, R. A. Ellison, Charles Ervin, William F. Ehmann, G. R. Farmer, E. T. Foxenbergh, S. L. Felton, Charles J. Fagg, W. B. Faulkner, C. L. Franklin, Harry D. Fenske, W. S. Foster, R. W. J. Flynn, G. E. Flanders, J. M. Fleming, W. H. Francis, C. C. Furgason, T. D. Geoghegan, Ludwick Graves, C. L. Groom, E. D. Grinnell, R. H. Goebel, Paul J. Gates, Robert B. Goodman, F. M. Garland, E. S. Gubernator, Byron M. Gray, Bernard L. Glover, W. D. Goble, A. G. Grim, Charles Gallagher, A. C. Graham, R. J. Hagman, C. A. Hart, G. B. Hetherington, C. Hershey, H. F. Hovey, Fred W. Haas, G. R. Hanks, Bryce L. Hamilton, W. H. Hooper, J. W. Holloway, C. E. Hochstedler, A. E. Hickerson, F. T. Horan, S. T. Henson, W. J. Hammond, W. T. Hancock, J. D. Hurst, James J. Hailey, J. P. Haynes, Wayne P. Hendricks, J. O. Houze, Henry Hauseman, E. M. Hayden, I. M. Herndon, C. R. Hillyer, F. S. Hollands, W. E. Heidinger, George F. Hichborn, J. K. Hiltner, A. C. Hultgren, E. M. Hodges, F. G. Ibach, H. Ignatius, E. A. Jack, J. W. Jamison, W. H. Johns, J. Jones, R. L. Jones, J. C. Husteson, George Jay, R. L. Korf, F. S. Keiser, Elmer J. Klebba, Kemper K. Knapp, H. H. Knight, Lee Kuempel, F. W. Kerr, John B. Keeler, Russell W. Krantz, A. R. Kennedy, Edward F. Lodwidge, T. A. L. Loretz, H. J. Lang, A. G. Linnemann, W. R. Lynch, S. C. Loughbridge, W. H. Loughheed, A. P. Lane, W. A. Latham, Arthur S. Lytton, Stanley M. Low, H. H. Lucas, Wilbur LaRoe, Jr., [fol. 27] C. A. Lahey, W. B. Lewis, J. S. Marvin, J. E. Monroe, H. D. McKnight, Kenneth A. Moore, Herman Mueller, A. King McCord, George W. Morgan, Lambert McAllister, R. H. McElroy, Parker McColester, H. G. McNamara, John T. Money, T. M. Milling, F. R. McFarland, H. O. Mackinch, Robert Elmer Minton, C. C. Milliken, T. W. Mackey, T. J. McLaughlin, W. J. Mathey, Hoyt A. Moore, H. D. Musick, M. J. McMahon, E. W. McKay, Andrew P. Martin, James H. Myler, J. A. Maher, A. A. Mattson, Herbert H. Moffitt, Donald D. Moore, James McEvory, John W. Murphy, W. F. Morris, Jr., Earle J. Machold,

D. T. Meyers, C. R. MacCarey, Charles W. Mays, H. E. McGiverson, E. L. Maynard, William A. Moore, J. P. Magill, W. M. Maddox, Harry J. Newton, W. J. Nokely, F. H. Nesmith, Cecil A. New, Norman, Quirk & Graham, C. Ohlsen, James V. Oxtoby, E. W. Owens, J. B. Orr, R. W. Ostrander, R. S. Outlaw, J. W. Porter, Richard Parkhurst, Stephen A. Power, F. A. Perry, F. E. Paulson, Philip H. Porter, W. H. Pease, W. H. Perry, R. W. Poteet, Robert E. Quirk, R. L. Reese, P. A. Ripley, W. J. Rowley, A. J. Radosta, Jr., J. L. Roberts, M. G. Roberts, Fred M. Renshal, John Rowe, G. B. Ross, Fletcher Rockwood, W. E. Rosenbaum, Frank E. Robson, R. M. Robinson, H. W. Roe, A. A. Raphael, M. C. Richards, C. R. Scharff, A. J. Sevin, Charles Schakell, A. H. Schwietert, G. M. Sherman, C. M. Shepherd, E. D. Sheffe, James J. Shaw, H. M. Slater, Samuel G. Spear, W. R. Scott, Marshall G. Sampsell, Walter F. Schulter, C. R. Seal, E. W. Sieboldt, H. R. Synder, Leonard Simms, Charles W. Stiver, F. L. Sullivan, J. H. Shaw, C. A. Sullivan, C. H. Sullivan, H. C. Schimmelman, R. O. Stevenson, G. H. Staat, W. D. Sankey, Jr., F. L. Stokes, Ned A. Stewart, Walter A. Smith, Hal H. Smith, Frank M. Swacker, C. T. Stripp, Elmer R. Terry, Frank T. Towner,

[fol. 28] Ex Parte No. 104, Part II—Sheet 4

Herbert Thompson, G. F. Thomas, Lee W. Troutfetter, C. A. Talley, Clare B. Tefft, W. E. Tulley, J. H. Uptegrove, Arthur B. Van Buskirk, A. M. Van Donser, R. R. Veldman, E. H. White, Arthur L. Winn, Jr., C. E. Widell, Elmer Westlake, E. S. Wortham, J. K. White, A. C. Welsh, Frederick H. Wood, George E. Winters, William N. Webb, Edgar N. Wrightington, L. F. Weber, H. W. Wise, T. H. Wilson, Sheldon E. Wardwell, Leo F. Wormser, R. S. Waterbury, Warren H. Wagner, Wallace H. Walker, S. H. Williams, F. M. Wintermute, C. H. Winslow, E. L. Wilkerson, J. W. Watson, Chester L. Whittemore, Luther M. Walter, Charles H. Woods, and C. F. Young for various industries and associations.

[fol. 29] Report of the Commission

By the COMMISSION:

This is an investigation upon our own motion into practices of carriers affecting operating revenues or expenses, which for convenience was divided into different parts. Part II, being the instant part, relates to terminal service

of Class I¹ carriers by railroad subject to the Interstate Commerce Act. It does not deal with allowances or divisions to industrial common carriers. Hearings were held at convenient points throughout the country. The record comprises evidence presented by carriers and shippers, and data called for by questionnaires. A proposed report was prepared by the director of our Bureau of Service, to which exceptions were filed by numerous parties, and the case was argued orally. The proposed report dealt with the practices at many individual industries. We will herein deal only with the legal questions and general situations presented. Separate reports will be issued covering the industries either individually or by groups.

Our inquiry first extended to various phases of terminal services including those covered herein and the practices of respondent carriers in connection therewith. No industries were heard. Thereafter further hearings were had at which industries were invited to be present and advised of the information to be sought at such further hearings. The principal questions to be determined, as indicated in the later notices, are as follows:

1. Whether such terminal services, in whole or in part—performed in placing cars at designated locations in positions accessible for loading and unloading—are services which the connecting common carriers, by operation of law, [fol. 30] are duty-bound to perform. This question relates to three distinct methods of rendering such services, including:

Group A, where the industries perform these services and receive compensation therefor from respondent carriers.

Group B, where the industries perform the services and themselves bear the expense without compensation from respondent carriers, and

Ex Parte No. 104, Part II—Sheet 5

Group C, where respondent carriers perform the services at the special convenience of the industries.

2. Whether, in circumstances where such services are performed by the industries, any allowances made to the

¹ Carriers having annual operating revenues above \$1,000,000.

industries by connecting common carriers as compensation for such services, are lawful; also why, in similar circumstances, no allowances are made to other industries for performing such services.

The service rendered in placing cars on and removing them from team tracks and private sidings is well known. It consists of the placing of cars at or their removal from a point on such tracks reasonably convenient to both the carrier and the shipper. A description of the service involved on tracks of individual industrial plants will be dealt with in subsequent reports, but in general it may be stated as follows: The industries heard on this record have systems of tracks within their plants which vary in extent from a few tracks aggregating only a few hundred feet in length, to extensive systems many miles in length. These industries are served in one of two ways, i. e., inbound and outbound cars are delivered or received by the carriers on interchange² tracks which either compose an extensive yard [fol. 31] or designated tracks from and to which interchange tracks the spotting³ service is performed by locomotives belonging to the industry served, for which service in many instances the industry receives an allowance from the carrier while in other instances such service is performed by the industry at its own expense; or by the other method the spotting service is performed by the carrier. In the majority of such instances the spotting is performed by the carrier at its convenience and without interruption or interference by the industry. In other instances cars are first placed by the carrier on interchange tracks from which they are subsequently moved by a carrier engine or engines assigned to the plant and operating entirely under the direction of the industry and spotted when and as needed by the industry without charge in addition to the

² By "interchange" yards or tracks, as used herein, is meant the yards or tracks where cars are delivered to or received from an industry by the connecting carrier. In most instances these yards or tracks are on property of the industry.

³ "Spotting" or spotting service, as used herein, is the service beyond a reasonably convenient point of interchange between road haul or connecting carrier and loading or unloading locations on industrial plant tracks.

line-haul rate or switching charge otherwise applicable. At the latter group of industries the services are substantially the same as at the industries where the spotting service is performed by plant power. This report will principally deal with the class of industries to which an allowance is paid by the carrier as compensation for rendering service which it is urged is within the obligation of the carrier under the line-haul rate, and those to which the

Ex Parte No. 104, Part II—Sheet 6

carriers assign power to perform the spotting service. Many industries own and operate their own power in conducting the industrial operations and in the movement of [fol. 32] cars in intraplant⁴ service, for which latter service a charge would be collected if performed by the carriers. The industries are thus able to perform all switching service within their plants and coordinate the different services and avoid interference with their industrial operations to a greater degree than would be possible if the connecting carriers performed a part of the switching. Many plants are served by two or more carriers, and in such cases confusion between the carriers and interference with the industrial operations would result if locomotives of the carriers and the industry were switching within the plant at the same time. Very often the industrial operations do not require the entire time of a locomotive, which, however, must be kept available. If the idle time can be employed in performing a service which the carriers can be induced to pay for, a clear gain accrues to the industry. For these reasons the industries prefer to use their own locomotives and, in general, endeavor to secure an allowance for performing the spotting service.

Numerous other industries heard on this record use locomotives for the identical purposes and in the same manner, but receive no allowance therefor, although many of them have made attempts to secure payment for such services. Regardless of the carrier's duty or obligation, in all cases the industrial operations must have primary consideration, and for this reason many industries which have not sought,

⁴ Such movements as the plant requires in carrying on its operations and are not related to the delivery or receipt of cars.

or have failed to receive, allowances prefer to operate their locomotives to avoid interference with plant operations, and no greater service is performed by the connecting carriers than delivering and receiving cars at convenient interchange points.

[fol. 33] The published tariffs generally establish switching limits at the various destination points. Delivery within those limits is paid for when rates are collected to those destinations. In some cases the switching limits are definitely defined by boundaries, and at others the industries included within the switching district are named. There is no dispute that delivery at the various industries is covered by the published rate. The difficult thing is to ascertain when delivery at the plant is made. In the nature of things no inflexible formula can furnish a solution for that problem. The limitation of place within which delivery is due will vary with varying conditions. All that we can safely say is that there must be such a delivery as is customary and reasonable. Delivery by railroad is usually effected either at freight houses or other terminals, and deliveries are still made at such places where the factories and warehouses of shippers and consignees do not connect with the tracks. Private sidings have become common and freight is carried over them between the railroad and the plant. Such carriage is commonly regarded as a part of the work of transportation. In most cases the distances are short

Ex Parte No. 104, Part II—Sheet 7

and the carrier's burden remains substantially the same whether the cars are left upon the siding close to the main tracks or hauled along the siding until they reach the plant. In such circumstances it may be said with reason that delivery at the plant means delivery at the platform for loading and unloading. The respondents have not withheld service incidental to carriage between the railroad and the plant. Cars have been hauled from the main line to agreed interchange tracks either within the limits of the plant or on tracks in close proximity thereto. These interchange tracks correspond to the spurs or sidings on which the practice of spotting had its origin. What many of the industries here insist upon is that the respondents must haul them farther over an intricate system of interlacing tracks and distribute them among the mills and warehouses

not at the convenience of the respondents but in order to meet the industrial needs of the plant. We come then to the test, which, vague as it is, is the only safe one, that is, whether in the light of all the circumstances such a form of delivery is customary or reasonable. That it is not customary is established, we think, by uncontroverted evidence. Spotting cars upon short and direct sidings is a service that has little kinship to intricate maneuvers designed not to reach the industry but to permit the convenient distribution of wares among the subdivisions of the industry. The difference may be one of degree but here as is so often in the law such differences are vital. In many cases shown upon the record the complicated shifts and transfers are made by shippers or consignees within their own plants at their own cost and without an allowance from the carrier.

The tariffs publishing the line haul and switching charges constituting the carrier's holding out to all alike of service under such rates and charges do not in terms or by any reasonable construction provide for "plant switching" or "spotting of cars at unloading point" to be performed at plant's convenience.

During the period of years in which we have considered allowances, many cases dealing with spotting services, allowances to industries, and so-called plant facility railroads have been considered. Counsel of record filed a brief listing 164 cases which we have decided, and several have been decided since that brief was filed. Many of these cases dealt with allowance or divisions of rates to industrial common carriers, which are not discussed herein. A number [fol. 35] of these, such as the Industrial Railways Case, 29 I. C. C. 212, The Tap Line Case, 23 I. C. C. 277, and others, were considered on voluminous records. Rules have been promulgated by various carrier associations, for the guidance of the carriers in the granting of allowances, but being without binding force upon any individual carrier, they have been largely disregarded.

About 1920 a special committee of carriers operating in official territory made a study of the practices in that territory with respect to the spotting service. This special committee reported that the practices were irregular and inconsistent and demanded a remedy. The committee believed that the formula by which the allowances were computed was incorrect, and resulted in unjustified expense to the

carriers. It recognized that much of the service for which allowances were paid was service which was in excess of

Ex Parte No. 104, Part II—Sheet 8

the carrier's obligations under their line-haul rates and proposed that a tariff be issued for account of the carriers in that territory. The proposed tariff contemplated that simultaneously all tariffs providing for allowances to industries for terminal service in spotting cars should be canceled, and it was stated: "The effect of such tariff would tend to reduce the amount of switching at present being accorded by carriers in spotting cars, which, as pointed out by the Commission in the U. S. Cast Iron Pipe & Foundry Company decision, is *in excess of their obligations.*" (Underscoring [*italics*] supplied.)

The proposed tariff provided that where spotting service could not be performed on private or industrial sidings by means of one simple switching movement, a uniform charge [fol. 36] should be applied for the remainder of the service; and that where an industry performed spotting service which was properly a carrier's duty, an allowance in an amount uniform to all such industries might be paid.

Due mainly to the opposition of the National Industrial Traffic League, the proposed tariff was never published. This record shows that the irregularities, inconsistencies and demand for remedial measures, which were found by the special committee to exist, still exist, and have since been greatly multiplied. As late as March, 1931, the eastern carriers were attempting by change in their formula to obtain uniformity, and in August of that year one of the largest eastern railroad systems declined to grant an allowance to a certain industry solely on the ground that it was not an iron and steel industry, although at that time and for a number of years previously this system and its component lines had been granting allowances to many industries regardless of the nature of their business.

The futile efforts of the carriers in the past to obtain uniformity, and to limit allowances to services which are properly a part of their duty, offer no ground for belief that future efforts on their part will accomplish such objectives. That such conditions exist was recognized by the Congress in section 2 of the Emergency Railroad Transportation Act, 1933, wherein it is stated that "in order to

foster and protect interstate commerce in relation to railroad transportation, by preventing and relieving obstructions and burden thereon resulting from the present acute economic emergency, and in order to safeguard and maintain and adequate national system of transportation," the office of Federal Coordinator of Transportation was created. Section 4 provides that one of the purposes of that act [fol. 37] is to control allowances, accessorial services, and the charges therefore, and other practices affecting service or operation to the end that undue impairment of net earnings may be prevented, and other wastes and preventable expense avoided. That emergency act in no wise affected our power with respect to the practices involved in this proceeding. It emphasized, however, the necessity for this investigation which we had previously begun. Before discussing the general testimony, it may be helpful to consider the applicable legal principles as announced in the decisions of the courts and this Commission.

Ex Parte No. 104, Part II—Sheet 9

Discussion of the Applicable Law

Section 1(3) of the Interstate Commerce Act defines "transportation" to include all services in connection with the receipt and delivery of property transported, and paragraph 4 of the same section, makes it the duty of common carriers to provide such transportation upon reasonable request therefor at just and reasonable charges. The carriers are not only entitled to reimbursement for the cost of rendering the service and a reasonable profit, *Southern Ry. Co. v. St. Louis Hay & Grain Co.*, 214 U. S. 296, but it is unlawful for them to transport property free, except pursuant to law. *American Exp. Co. v. United States*, 212 U. S. 522; *Louisville & N. R. Co. v. United States*, 282 U. S. 740.

Whatever transportation service or facility the law requires the carriers to supply they have the right to furnish. *Atchison, T. & S. F. Ry Co. v. United States*, 232 U. S. 199. A carrier may, however, employ an agent to perform [fol. 38] transportation service for it. *United States v. Fruit Growers Express Co.*, 279 U. S. 363. And a carrier may receive services from an owner of property transported or use instrumentalities furnished by the latter, in which cases the carrier shall pay for them subject to the restriction

that the compensation be no more than is reasonable. *United States v. Baltimore & O. R. R. Co.*, 231 U. S. 274. These principles should be kept in mind in considering the discussion which follows:

Over a period of many years the courts and this Commission have had numerous occasions to consider the services which the carriers are obligated to render for the compensation they receive in the form of the line-haul freight rates. In *Associated Jobbers of Los Angeles v. Atchison, T. & S. F. Ry. Co.*, 18 I. C. C. 310, 314, we said:

The American railroad rate has always been recognized as covering the full service which the carrier gives—in furnishing the car, a proper place at which to load it, the conveyance of that loaded car, and its terminal delivery.

In that case the attack was made upon the charge of \$2.50 per car made by carriers at Los Angeles, Calif., for delivering or receiving carload freight at industries located upon spurs or side tracks within their switching limits, when such carload freight was moving incidental to a line haul and the carrier receiving or delivering such freight received the whole or any part of the compensation for such line haul. In discussing the facts we pointed out that freight moving in carloads was delivered at team tracks, at freight sheds, or at industry spurs, and that at team tracks and freight sheds no charge was imposed for the receipt or delivery of such carload freight over and above the freight rates named in the tariffs, while at industry [fol. 39] spurs an additional charge of \$2.50 was imposed on every loaded car moving in or out. We said further:

These industry spurs vary in length, some leading directly from the main track into or alongside of the industries served, while others are of greater length and branch at one or more points, short spurs running off from what is known as the "lead" to serve other industries in the immediate neighborhood.

Ex Parte No. 104, Part II—Sheet 10

In finding that the charge was illegal and unjust, which decision was upheld by the Supreme Court in the *Los Angeles Switching Case*, 234 U. S. 294, we said that the industrial spurs under consideration were of a totally different character and of a different nature from those considered in *Chicago & A. Ry. Co. v. United States*, 156 Fed.

558; *Solvay Process Co. v. Delaware, L. & W. R. Co.*, 14 I. C. C. 246, and in *General Electric Co. v. N. Y. C. & H. R. R. Co.*, 14 I. C. C. 237.

In the last case the General Electric Company asked that we determine and fix the just and reasonable sum that it might charge the carriers for services performed and instrumentalities furnished by it in connection with the interstate movement of its own property. The instrumentalities referred to were complainant's storage tracks which it had constructed, and the locomotives and electric motors which it owned and operated within the limits of its extensive plant at Schenectady, N. Y. The services which the industry claimed to perform consisted of handling the loaded or empty cars between the storage tracks where the cars were interchanged with the carriers, and the various shops, foundries, and other buildings where cars were ordinarily unloaded or loaded. Complainant asserted that its activities and equipment with respect to such movements were services [fol. 40] directly rendered and instrumentalities furnished by it in connection with the transportation of its own property within the meaning of section 15 (13) of the Act; and that it ought to have reasonable compensation therefor from the carriers. We said at page 242:

The real question before us is whether complainant, under the amended act to regulate commerce, may lawfully make any charge and demand any compensation from the defendants upon the facts shown of record. Is the service performed by it a carrier's service? Is it a part of the transportation undertaken by the carrier? Or is it a shipper's service—something apart from the transportation, and which is done by the shipper for its own benefit?

To that question we have given such thought and reflection as its importance demands, and our conclusion is that the handling of the cars by complainant within the inclosure of its plant has not been shown to be a carrier's service—something done by the complainant which the carrier ought to do as a part of its contract of transportation—but that the storage tracks and switch tracks and all the arrangements and facilities for moving cars within its plant inclosure are for the complainant's own convenience and are necessary to the economical conduct of its business.

While the defendants now spot cars within the switching districts of cities and towns on their respective lines, such

service amounts practically to no more than placing the cars upon sidetracks. The switch tracks leading to industries served by the defendants in the great majority of cases are from 400 to 500 feet long. In all cases the defendants reserve the right to use such tracks for storing cars when that can be done without inconvenience to the [fol. 41] industries to which they lead. And at all times both companies reserve the further right to pass over such tracks to make deliveries to industries beyond. There is,

Ex Parte No. 104, Part II—Sheet 11

therefore, in a measure a joint ownership of the tracks or a joint right in the use of them, and to that extent they may be said to be system trackage. It is on such tracks that the defendants customarily spot cars free of charge. With an engine already coupled to a car, it involves no appreciable additional cost and no appreciable delay to put the car at the leg of an elevator or at the door of a warehouse instead of merely running it onto the sidetrack far enough to clear the main line. And such switching can be done at the reasonable convenience of the carrier. But here we have within the complainant's inclosure an elaborate system of broad-gauge switching tracks 12 miles in length operated both by steam and electric power and a narrow-gauge system 7 miles in length operated by electricity only; and on both systems a very extensive, purely internal switching is conducted by the complainant with its own motive power and crews. The defendants have no right to make any use of those tracks. They are not system tracks even in the qualified sense above mentioned, but are the exclusive tracks of the complainant. And the switching can not be done by the defendants at their reasonable convenience and whenever an engine is at hand to do it, but only at such time and in such manner as will not interfere with the complainant's switching engines and crews. In our judgment, in such cases a carrier has performed its full duty under its contracts of transportation when it delivers or accepts cars at some reasonably convenient interchange [fol. 42] point, such as the storage tracks heretofore described that were constructed for that purpose by the complainant.

The matters there in controversy before us were litigated anew in *New York Central & H. R. R. Co. v. General Electric*

Co., 219 N. Y. 227, 114 N. E. 115. In its opinion the Court of Appeals of New York at pages 117 and 118 said:

The decisive question must therefore be whether the switching done by the defendant within its plant between the storage tracks and the platforms of its mills is work that the plaintiff was bound to do as a part of transportation. To put it in another form, the question is, Where does transportation begin and end? The published tariffs to Schenectady establish switching limits extending from Sandbank to Carmen and Stony Lane. Delivery within those limits is paid for when rates are collected to Schenectady. Since the limits embrace the defendant's plant, there is no dispute that delivery at the plant is covered by the rate. The difficult thing is to ascertain when delivery at the plant is made.

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* * * Industrial spurs, within the switching limits designated by the carrier, are to be regarded, indeed, for many purposes, as an extension of the terminals. Los Angeles Switching Case, 234 U. S. 294, 34 Sup. Ct. 814, 58 L. Ed. 1319. But reasonable delivery does not involve the carrier's cooperation in the division of labor and of functions between the sections of a gigantic plant. This network of tracks is

Ex Parte No. 104, Part II—Sheet 12

and must be under unified control. Order and method must reign. * * * The engines that move within this plant [fol. 43] are not doing work that the plaintiff ought to do, or effectively could do. They are doing the defendant's work. They are "plant facilities."

The Court had earlier said at page 117:

Transportation includes delivery. Under the plaintiff's published tariffs it does not include the work of loading and unloading. Official Classification, 38, Interstate Commerce Commission. But whatever is essential in order to complete delivery, the carrier must do. That is what it is paid for when it collects its regular rates. If it fails to make delivery, and the consignee through its own instrumentalities completes the work, an allowance is due. Interstate Commerce Commission v. Duffenbaugh, 222 U. S.

42, 32 Sup. Ct. 22, 56 L. Ed. 83; *United States v. B. & O. R. R. Co.*, 231 U. S. 274, 293, 34 Sup. Ct. 75, 58 L. Ed. 218. But no allowance is due for service rendered by the consignee after delivery has been made and transportation is at an end. An allowance in such circumstances would constitute an unlawful rebate. That is true of interstate shipments under the laws of Congress. Act to Regulate Commerce (Feb. 4, 1887) 24 Stat. L. 379, secs. 2, 3, 17; Act of Feb. 19, 1903, 32 Stat. L. 847; Act of June 29, 1906, 34 Stat. L. 584. It is true of intrastate shipments under the laws of New York. Public Service Commissions Law (Laws 1907, c. 429), secs. 31, 32.

The distinction between plant facilities and true agencies of transportation has been expressed by us in numerous decisions. Thus in *Brimstone R. & Canal Co. Excess Income*, 189, I. C. C. 437, decided January 27, 1933, Division 1 said at page 455:

It is the carrier's contention that the switching from the hold tracks to the loading tracks and vice versa, is a [fol. 44] common-carrier operation performed by it as a part of its transportation obligation and is comprehended within the rate division received by it. On the other hand, our interested bureaus contend that those switching operations are conducted for the convenience of the sulphur company and that the costs thereof should be allocated to plant expenses and not to carrier operating expenses. The evidence in this case, so far as these tracks and operations thereover are concerned, is substantially the same as that considered by us in *Divisions Received by Brimstone R. & Canal Co.*, 88 I. C. C. 62, 69, where we said:

Where the facilities of an industry are so constructed that delivery at its plant is rendered impracticable, the duty of the carrier is fulfilled if it holds itself out to receive and deliver on a convenient interchange track. *General Electric Co. v. N. Y. C. & H. R. R. R. Co.*, 14 I. C. C. 237. The

Ex Parte No. 104, Part II—Sheet 13

service of the proprietary company—(Union Sulphur Company)—in moving cars from the storage tracks to the sulphur bins and returning such cars, loaded, to the storage tracks, is no part of the common-carrier operations of the Brimstone.

We reaffirm that conclusion, and hold that the storage or hold tracks were a facility used as a convenience of the sulphur company; that the delivery of inbound empty cars thereon or on the loading tracks terminated the common-carrier obligations of the carrier so far as inbound empties were concerned; that on outbound shipments of loaded cars the common-carrier transportation commenced only when the cars were delivered to the carrier for final movement [fol. 45] to destination; that the intermediate switching between the hold tracks and the loading tracks was a plant service; and that the expense of such switching should not be included in railway operating expenses. In arriving at this conclusion we have not overlooked our decisions in other cases cited by the carrier, which we find clearly distinguishable on the facts as well as on principle.

The question whether or not there is an additional service in connection with industrial spur tracks upon which to base an extra charge, or whether this is merely a substituted service, which is substantially a like service to that included in the line-haul rate, is a question of fact to be determined in each case.

We have considered many cases involving the question of allowances under section 15 (13) to shippers for instrumentalities and services rendered in connection with the handling of cars to, from, and within industrial plants. The decisions in most of those cases did not go to the merits of the allowances, as such, but were founded upon the provisions of either section 2 of the act prohibiting unjust discrimination, or section 3 of the act, prohibiting undue prejudice or preference. The findings in *Allegheny Steel Co. v. Director General*, 60 I. C. C. 575, 578, may be taken as typical of the findings in such cases. We there said:

The facts of record are not deemed such as to support a finding of unreasonableness, but we find that in respect of interstate carload traffic moving between the trunk line and loading and unloading points within the limits of complainant's plant, the failure of the defendants to perform the switching and spotting service with their own motive power, or to make an allowance to complainant covering the cost of that service performed by it does and will for the [fol. 46] future subject complainant to unjust discrimination as between it and similarly situated competitors in the

Pittsburgh rate district for whom such services are performed by the defendants without additional charge or to whom allowances are made for the performance thereof.

Ex Parte No. 104, Part II—Sheet 14

It was left to the discretion of the carriers to determine how the unjust discriminations or undue preferences were to be removed, and they generally complied by granting allowances to the complaining industries. These cases are therefore of little or no assistance in considering the broad question whether the services performed by the industry and for which an allowance is paid by the connecting line are, as a matter of fact, transportation services which the carriers are obligated to perform, or whether such services are plant services.

In a relatively few cases the question of such allowances has been considered upon its merits. In *United States Cast Iron P. & F. Co. v. Director General*, 57 I. C. C. 677, the industry sought an increased allowance for spotting cars within its plant. In the course of its opinion, holding that the propriety of an increased allowance had not been demonstrated Division 2 at page 681 said:

A carrier is ordinarily under a legal obligation to effect delivery under a transportation rate. The nature and extent of delivery of carload traffic has differentiated with the increasing complexity in the development of industrial enterprise. Perhaps the most common, if not the standard, form of delivery for carload freight is the setting of a car on the so-called team tracks of the carrier, where it may be conveniently unloaded, usually by the consignee. Another common form and a substitute for team-track delivery is the [fol. 47] switching of a car to the private siding of a consignee whose place of business is contiguous to the trunk line, clear of the main track. It is indisputable that the trunk line carrier may be required to perform these or equivalent services of delivery without charge in addition to the transportation rate, or, if it choose, may employ an agent to render the service for it. This agent may be the shipper or owner of the property transported, with the limitation that the charge or allowance for the service may be no more than just and reasonable.

Switching allowances to large industries have developed in certain parts of the country until in many instances they are little better than undue preferences, and represent service which we would, *ab initio*, long hesitate to direct a carrier to render in effecting delivery of carload freight. They are, without doubt, frequently compelled by the fear of loss of large tonnage; they deplete unnecessarily the revenues of the carriers and thus tend to shift the burden of paying for such expensive deliveries from the shoulders of the recipients, where it belongs, to the shoulders of other shippers who receive only average delivery service.

This case was cited with approval and followed in *Lehigh Portland Cement Co. v. Director General*, 62 I. C. C. 231; *Whitaker-Glessner Co. v. B. & O. R. R. Co.*, 63 I. C. C. 47, and *Terminal Allowance to St. Louis Coke & Iron Co.*, 85 I. C. C. 591.

Ex Parte No. 104, Part II—Sheet 15

In *Columbia Mills v. Delaware, L. & W. R. Co.*, 118 I. C. C. 112, Division 1 found that the failure or refusal of the carrier to compensate complainant, out of the line-[fol. 48] haul rates, for the services performed by the latter in switching carload shipments between points within its plant and the point of interchange with the carrier, and in checking, weighing, loading, and unloading less-than-carload shipments delivered to or forwarded from the plant in trap cars, was not shown to violate any provision of the act.

On behalf of the National Industrial Traffic League and others, it is urged that the decision in *Car Spotting Charges*, 34 I. C. C. 609, should be regarded as finally decisive upon the proposition that freight rates cover the entire transportation service; and that the so-called spotting service is included in the line-haul rate by practice and custom and under legal decisions. This case was decided July 6, 1915, and that it is not finally decisive of the various questions presented in the instant proceeding is demonstrated by the many decisions rendered upon similar questions during the 20 years which have intervened. In that case we considered the propriety and reasonableness of a tariff charge for placing cars upon industry spurs or private sidings, or upon the tracks of industrial plants, at convenient points

for loading and unloading, and for the movement incident thereto, over the track or tracks of the industry. As defined in the suspended tariffs there under consideration, the charge was to cover the following service:

"Spotting" or spotting service, as used herein is the service beyond a reasonably convenient point of interchange between road haul or connecting carrier and industrial plant tracks, and includes:

(a) One placement of a loaded car which the road haul or connecting carrier has transported, or

(b) The taking out of a loaded car from a particular location in the plant for transportation by road haul or connecting carrier.

(c) The handling of the empty car in the reverse direction.

The industries to which the charge was to be applied were divided generally into three lists: (1) industries having industrial plant tracks connecting with the tracks of the carriers on which industrial tracks the carriers had performed spotting service in the past, and upon which they would, if desired, have continued to perform such service on and after the effective date of the tariff at the charge provided therein; (2) industries having industrial plant tracks connecting with the tracks of the carriers upon which industrial tracks the industry had performed the spotting service in the past. The charge of the carriers for performing spotting service for the industry on its plant tracks connecting directly with the tracks of the carriers would have been as per the tariff in question provided the performance of the service by the carriers was shown to be practicable and was agreed upon. The third was a list of industrial railways and provided that spotting service on or over the tracks of those railways could be performed only by special agreement.

Ex Parte No. 104, Part II—Sheet 16

As we pointed out, in general the industries were arbitrarily selected, and ranged from the ordinary mill or factory with a single spur or private siding to the large iron and steel industries having an interior system of rails called the plant railway. On page 616 we referred to our finding

in the Los Angeles Switching Case, supra, that where the service was merely a substitute for team-track receipt and delivery the line-haul rate covered the service for the reason [fol. 50] that rates generally in this country had been constructed upon that basis. We then stated:

The mere size or complexity of the industry is not controlling in determining whether or not the line-haul rate covers the receipt or delivery of freight at the door of the plant. The service involved in the placement of cars for loading or unloading at an isolated industry to which a single spur leads may be as great as that rendered in the placement of cars for loading or unloading in a large plant having an intricate system of interior tracks. Indeed, there is testimony tending to show that by reason of greater density of traffic and greater tonnage the cost of spotting at the larger industries is less per car than at the smaller industries. At the large industries the trunk line may render interplant services in the movement of cars from place to place within the plant during the processes of manufacture which it has no occasion to render at smaller industries, and for such services an additional charge should be made; but where the service rendered is merely a substitute for the service which would be required if the movement were to or from a team track, an industry spur, or a private siding, nothing should be added to the charge for the line haul.

On page 618 we said:

There may be cases in which the spots at which cars are placed for loading and unloading in complex industries are so located that the request for the receipt and delivery of carload freight at such spots could not, in view of general usage, be regarded as reasonable, and where a charge for the spotting service in addition to the line-haul rate might therefore be justified, but the mere fact that an industry is complex, or that it requires an interplant service in addition to the receipt and delivery of carload freight, is not sufficient to justify an additional charge for the placing of cars at the door of the industrial plant for the receipt or delivery of carload freight. The line-haul rate, however, covers only one placement of the car for loading or unloading, and an additional charge should be made for each additional placement of the car for that purpose.

We found that respondents had not justified the tariffs under suspension but stated:

The respondents may, however, file new tariffs, providing for spotting charges in those instances in which the terminal services performed exceed the services which under established custom, is, (sic) or should be,

Ex Part No. 104, Part II—Sheet 17

performed for the line-haul rate, in accordance with the views expressed in this report.

The carriers took no action to comply with our findings other than to cancel the tariffs under suspension.

The Car Spotting Case should be considered in connection with the Second Industrial Railways Case, 34 I. C. C. 596, which was decided five days before the former case and immediately precedes it in the bound volume. In that case we divided the industrial operations into six groups. Our discussion of the last of these groups, appearing at pages 607-8, is particularly pertinent here. We said:

The sixth group is composed of industrial plant tracks which are neither owned nor operated by common carriers and are not dedicated to public use, the ownership and right of use being in the controlling industries which operate them. They ask that allowances be paid them out of the locality basis of rates under section 15 of the act, upon the theory [fol. 52] that they are performing a service of transportation which the trunk line is obligated to perform under the rate structure. This question was considered in the General Electric Co. and Solvay Process Co. cases, *supra*, and it is not necessary to enlarge upon it here. These cases illustrate the passing of the necessity for that provision of section 15 under which shippers may be compensated by the trunk lines for their facilities used in the handling of their own shipments. This legislative measure was enacted to give this Commission the means of eliminating certain unjust discriminations. The gradual elimination of discriminatory practices by other processes leaves this provision of the law to be used as a cloak for various payments which but for it would be looked upon as rebates.

Certainly it cannot be said that we have found that the transportation service which a carrier is obligated to per-

form under a line-haul rate includes the placement of the car at the point of loading or unloading in all instances and under all circumstances.

It is also urged that the statement of the court in *New York Central & H. R. R. Co. v. General Electric Co.*, supra, that "a railroad's duty to carry is a duty to carry over its right of way" is diametrically opposed to the Supreme Court's conclusions in *Interstate Commerce Commission v. Diffenbaugh*, 222 U. S. 42, and in *Mitchell Coal & Coke Co. v. Pennsylvania R. Co.*, 230 U. S. 247. We do not agree that this is correct. The service involved in the *Diffenbaugh* case was that of elevation, and the court held that "As the carrier is required to furnish this part of the transportation upon request, he (Peavey) ⁵ could not be required to do it at his own expense, and there is nothing to prevent his hiring the instrumentality instead of owning [fol. 53] it. In this case there is no complaint that the rate out of which the allowance is made is unreasonable, and it is admitted that three-quarters of a cent barely would pay the cost of the service rendered without any reasonable profit to Peavey & Company for the work." In

Ex Parte No. 104, Part II—Sheet 18

the *Mitchell* case, the court said "to pay shippers for doing their own work would have been a mere gratuity, and if here the carrier was not bound to haul from the mine it had no more right to pay these companies for bringing their coal over the spur track to the junction than it would have had to pay a merchant for hauling his goods in a wagon to the railroad depot", and it said further "Inasmuch as this rate included the haul the Railroad was bound to transport the coal from the mouth of the mines, and could use its own engines for that purpose or it could employ the Coal Companies to render that service, paying them proper compensation therefor." There is no conflict between the language of the court in the *General Electric* case and the *Diffenbaugh* and *Mitchell* cases.

In *National Industrial Traffic League v. Aberdeen & R. R. Co.*, 61 I. C. C. 120, 123, we said:

The demands upon a carrier which lawfully may be made are limited by its duty. *Gt. Northern Ry. v. Minnesota*, 238

⁵ Parenthetical insertion ours.

U. S. 340, 346. But it is not its duty as a common carrier to enter into a contract to lease a railroad siding to a shipper or to enter into an agreement to operate privately owned sidetracks. The liability clauses complained of do not involve the question of rates, nor the matter of facilities to be furnished by the railroad company for the transportation of property under its obligation as a common carrier, and section 1 does not confer upon us the power to pass upon [fol. 54] liability clauses of leases or of agreements for the maintenance, use, and operation of such individual sidetracks.

And in *American Fuel Co. v. Atchison, T. & S. F. Ry. Co.*, 123 I. C. C. 101, 112, we said:

Service over private tracks or plant-facility tracks by a common carrier subject to our jurisdiction is neither compelled nor prohibited under the interstate commerce act. To furnish it or withhold it is within the discretion of the carrier. In either event the statutory inhibition against unjust discrimination or undue prejudice must be observed. Moreover, where, as here, the defendants have elected to perform the service they should publish tariffs to cover it.

To the same effect are the decisions in *Transfer in St. Louis and East St. Louis by Dray and Truck*, 155 I. C. C. 129; *King Stone Co. v. Chicago, I. & L. Ry. Co.*, 160 I. C. C. 245; and *Winnsboro Granite Corp. v. Southern Ry. Co.*, 176 I. C. C. 481.

If a carrier operates over private industrial tracks it is because in its discretion it elects to do so, and its legal obligation in such operations extends no farther than is covered by the compensation it exacts for the services performed. In other words the obligation upon the carrier in such circumstances is to be measured by the compensation received and not by any definite duty otherwise placed upon the carrier by the statutes. The payment by the carrier to a shipper for rendering services upon private tracks which are not contemplated by the charges of the carrier would be "a gift—a rebate—a thing ipso facto illegal and prohibited by the statute" * * *. *Mitchell Coal & Coke Co. v. Pennsylvania R. Co.*, supra. Further, the rendition by the carrier of such services as are not

[fol. 55] Ex Parte No. 104, Part II—Sheet 19

contemplated by the compensation which it receives free and without additional charge is prohibited by section 6 of the act. *American Exp. Co. v. United States*, supra; *Louisville & N. R. Co. v. United States*, supra.

As previously stated, whatever transportation service or facility the carrier is required to supply it has a right to furnish. *Atchison, T. & S. F. Ry. Co. v. United States*, supra. When a carrier is prevented from performing the service by the election of the industry to perform it, and when the service of the carrier would not meet the needs and convenience of or be satisfactory to the industry, the carrier's duty to perform the service under the line haul rate is discharged, and there is no obligation resting upon it to make an allowance to the industry for performing the service. *Allowances to Texas Gulf Sulphur Co.*, 96 I. C. C. 371.

When a shipper seeking an allowance for performing a carrier service within its plant makes no demand of the trunk lines for performance and the carriers could not perform such service with available equipment because of excessive track curvature, any inequality which occurs because the shipper's competitors receive for the line-haul rate a service similar to that for which it requests an allowance is due to the position which it has assumed rather than to undue prejudice which the carriers could be required to remove. *United States Cast Iron Pipe & Foundry Co., Inc. v. Director General*, 62 I. C. C. 339.

If the shipper, for its convenience, prevents the carriers from performing the final placement of cars by a single movement, the carriers need not absorb the costs of switching from points of interchange to points of placement within the plant, when performed by the shipper. *Marting Iron & Steel Co. Case*, 48 I. C. C. 620.

[fol. 56] No legal obligation rests upon a carrier to perform switching and spotting service solely at a shipper's convenience, and a shipper is not entitled to an allowance for these services if the carrier is ready and willing to perform them, but is not permitted to do so by the shipper. *Stewart Furnace Co. v. Pennsylvania R. Co.*, 68 I. C. C. 528.

In the *Industrial Railways Case*, supra, we found and concluded with respect to certain industries listed on pages

236 and 237, that all the service by the line-haul carriers beyond a reasonably convenient point of interchange between the rails of the carrier and the rails of the industry, either within the plant or without the plant, was a shipper's service and not a service of transportation which the line carriers may perform without charge or may allow for out of the rate through divisions or otherwise when performed by the industry or by its industrial railroad, and that the facilities used by the industry in performing these services, whether separately incorporated or not, were plant facilities and plant equipment. We concluded and found that the delivery of a car by a line carrier upon the interchange track was a delivery to the industry, that the line carriers were not compensated in their rates for services beyond that point, and that the allowances therefor were unlawful rebates paid for the traffic, and when performed by the line carriers were unlawful rebates in service, paid for a like purpose. In the supplemental report in that case, 32 I. C. C. 129, which followed the decision of the Supreme Court of the United States in the Tap Line Cases, 234 U. S. 1, we modified our findings in the first report with respect to industrial common carriers so as to comply with the decision of the court. There is nothing

Ex Parte No. 104, Part II—Sheet 20

in the supplemental report which overrules in any particular the findings in the first report with respect to the pay-[fol. 57] ment of allowances to industries for performing their own plant service. In fact, we stated that :

* * * The General Electric Company case, *supra*, the Solvay Process Company case, *supra*, and the Crane Iron Works case, 17 I. C. C. 514, were decided upon the facts, circumstances, and conditions appearing in connection with each. Those cases, however, differed from the Tap Line cases and from the instant case in that in each of the former cases the industrial railway, or the industrial corporation which in fact or effect owned it, sought to have us require the trunk line roads to accord the industrial roads allowances or divisions which the trunk line roads were unwilling to accord and which they contended would be unlawful.

We then stated :

We think that in the light of the decision of the Supreme Court in the Tap Line cases it is our duty to so modify our

findings in the original report herein as to permit the trunk line roads, if they so elect, to arrange by agreement with any of the industrial roads mentioned in our former report which are common carriers under the test applied by the Supreme Court in the Tap Line cases, and which perform a service of transportation, for a reasonable compensation for such service in the form of switching charges or divisions of joint through rates.

In the Second Industrial Railways Case, *supra*, we said at page 601:

If the service in any instance is a plant service the trunk line carriers can not lawfully compensate the shipper itself, or indirectly through its incorporated plant railroad, for the use of its plant tracks or for switching the shipper's cars over them with its own motive power.

[fol. 58] In *Chesapeake & O. Ry. Co. v. Westinghouse, Church, Kerr & Co., Inc.*, 270 U. S. 260, the Supreme Court in affirming the opinion of the Supreme Court of Appeals of Virginia, 138 Va. 647, 123 S. E. 352 stated:

The service of spotting cars was included in the line haul charge under both interstate and state tariffs.

It is urged on brief and exceptions that this expression of the court is conclusive in all cases that the service of spotting cars is included in the line-haul rate. The facts as shown by the decisions of the courts are that during the World War the defendant contractors were constructing embarkation facilities at Newport News, Va. Large quantities of material for use in such construction were delivered by the C. & O. at that point, and there was great traffic congestion in its railway yard. Because of this and other activities growing out of the war, the railway was unable to deliver goods or freight to the contractors within a reasonable time so that the latter's building operations were greatly impeded. To remedy this condition the

Ex Parte No. 104, Part II—Sheet 21.

C. & O. by contract assigned an engine and crew to the exclusive use of the contractors' traffic, payment to be made therefor as prescribed in the contract. The contractors later refused to pay for such service and action was brought

to recover under the contract. In its decision the lower court said:

It is perfectly clear under the tariffs on file, that the line haul rates on these cars entitle the consignees to have them "spotted" or placed upon these private delivery sidings to be unloaded. As expressed by the witness Ford, the consignee was entitled to *one placement of the car on a track agreed upon by the railroad and the party owning the [fol. 59] commodity*, which would either have to be a general delivery, public delivery you might say, or private industrial siding. That this expresses the true construction of the applicable rate which was published and filed is conceded. (Italics ours.)

Comparison was made by the Supreme Court of the service covered by the C. & O. tariff, with that considered in Car Spotting Charges, supra, and in Downey Ship Building Corp. v. Staten Island Rapid Transit Ry. Co., 60 I. C. C. 543. In the Downey case Division 2 at page 547 defined the carrier's obligation as involving "only one placement of a car and the movement to be made without interference and over the trackage suitable for the service."

The Supreme Court further stated:

The service by special engine and crew contracted for and given was not spotting solely for the convenience of the shipper. It was the spotting service covered by the tariff.
 * * * The carrier is here seeking compensation in excess of the tariff rate for having performed a service covered by the tariff. This is expressly prohibited by the Interstate Commerce Act. * * * A contract to pay this additional amount is both without consideration and illegal.
 * * * To so assure performance to a shipper was an undue preference. Hence the contract would be equally void for illegality on this ground.

Expressed differently, it would be unlawful for a carrier to contract to perform a preferential service. There is nothing in the decision of the court to indicate that the service contemplated by the line-haul rate was in excess of simple switch placement or in excess of team-track spotting. We think it is beyond question that by the operation of their own locomotives with payment therefor by respondents, or by the assignments by re-

spondents of engines and crews for the exclusive service [fol. 60] at specified industries heard on this record, such industries secure a superior and preferential service, and one which is not afforded by the carriers in the performance of ordinary operations to shippers who neither own nor have locomotives assigned for their exclusive use. See *Riter-Conley Mfg. Co. v. Director General*, 58 I. C. C. 327, 330.

Nor can it be overlooked that there is a financial gain to industries which utilize their own locomotives in securing for themselves this superior convenience regarded by the Supreme Court as a preferential service. In the practical application of the carrier's rules for determining the amount of allowances to industries, it must be understood that in making cost studies at the plants

Ex Parte No. 104, Part II—Sheet 22

herein considered the locomotive service is performed in a manner most convenient to industrial needs. As many movements are made between the interchange tracks and the points of unloading or loading as the industrial operations require, and the number of engine hours devoted to this service is taken into account in determining the cost to the industry upon which the allowance is based. Respondents pay for such service to the advantage of the industry from both a financial and a service standpoint. The assignment of locomotives by carriers for use by industries under the latter's direction and control likewise results in a superior convenience and preferential service.

To summarize it is well settled that carload freight may be delivered or received by carriers upon a private industrial siding. Under general custom and practice the line-haul rate entitles a consignee to have his shipment delivered at a reasonably convenient place, whether this be within a plant, or upon a track agreed upon by [fol. 61] him and the carriers. See *Chesapeake & O. Ry. Co. v. Westinghouse, Church, Kerr & Co., Inc.*, *supra*, the case affirmed by it, and cases cited therein. See also *Industrial Railways Case*, *supra*. It is likewise clear from these same authorities that service beyond such reasonably convenient points is not a service which the carrier is obligated to perform or pay for under its line-haul rates.

Section 6 (7) provides that no carrier shall "charge or demand or collect or receive a greater or less or different

compensation for such transportation of passengers or property or for any service in connection therewith, between the points named in such tariffs, than the rates, fares and charges which are specified in the tariff filed and in effect at that time." A further provision is that no carrier shall "refund or remit in any manner or by any device any portion of the rates, fares, or charges so specified, nor extend to any shipper or person any privileges or facilities in the transportation of passengers or property except such as are specified in such tariffs."

The statute prohibits every method of dealing by a carrier by which it directly or indirectly charges less than the published tariff rates. In the absence of a tariff provision, for a carrier to assume under its line-haul rates an obligation which is not properly includible under such rates is clearly in violation of section 6 of the act, and necessarily preferential. As said in *Davis v. Cornwell*, 264 U. S. 560, citing *Chicago & A. R. Co. v. Kirby*, 225 U. S. 155: "It was not necessary to prove that a preference resulted in fact. The assumption by the carrier of the additional obligation was necessarily a preference."

[fol. 62] Ex Parte No. 104, Part II—Sheet 23

Various Attitudes of Carriers With Respect to Allowances

For about 25 years we have considered cases involving the payment of allowances to industries for the performance of their terminal switching. The earlier cases involved industries in the eastern industrial sections, and allowances gradually became more numerous in that part of the country until about 1915. Their spread in Pennsylvania and Ohio was more rapid after the end of Federal control. In 1921, the first important allowance was granted in the Illinois-Indiana industrial region, and others rapidly followed extending into the lower part of the Mississippi Valley west of the river where allowances had previously been made to certain lumber companies as a result of the Tap Line Case, *supra*. Some allowances have been granted in the north central and extreme northwest sections and at present the only sections of the country where allowances are not paid are New England, the Southeast and the extreme Southwest.

The New England carriers maintain the position that allowances are improper; that if an industry specifies a yard or location where cars are to be interchanged, the placing or receiving of the cars at such location constitutes delivery or receipt by the carrier under its line-haul freight rates; and that a further movement by industrial locomotives is a matter of internal arrangements of such industry and is no concern of the carrier.

Nearly all of the carriers south of the Potomac and Ohio rivers and east of the Mississippi have from the beginning resisted the payment of allowances. One of the vice presidents of a large southern carrier stated [fol. 63] the position of his company with reference to such payments substantially as follows: Speaking of a steel plant that had grown from a small industry through many years' operation, to a large industrial plant, he explained that in the beginning, the plant had ~~required only~~ a small amount of switching, which was then performed by carrier locomotives. The growth of the industry later required the constant service of one, then three locomotives which were operated and controlled by the industry. At the time the constant service of the first locomotive was required for the plant's needs, the carriers considered its obligations under the line-haul rates ended when cars were interchanged at reasonably convenient points, and thereafter performed no further service beyond such points. His testimony indicates recognition that a line of demarcation exists between the services included in transportation and those included in the industrial operations of a plant, and shows that this line should be drawn at the point where the carrier is prevented from performing at its ordinary operating convenience any further service, by the nature, desires or disabilities of a plant.

The position of this carrier is illustrative of that of the southern carriers generally. By maintaining this position these carriers have largely avoided discrimination, confusion, and the wasteful dissipation of their funds and revenues, which this record clearly shows in many cases result through the performance by carriers without charge of services in excess of their obligation under the line-haul rates or the through payment of

Ex Parte No. 104, Part II—Sheet 24.

allowances to industries when they performed the spotting service.

[fol. 64] Rules Promulgated by Carriers for
Cost Studies.

In the earlier allowances there appears to have been no uniform rule or definite formula in general use by the carriers in arriving at the cost to the industry for performing the service for which the allowance was paid. This condition existed until 1915. In Chicago, West Pullman & Southern R. R. Co. Case, 37 I. C. C. 408, 415, decided December 23, 1915, we announced certain principles which should govern in making allowances to industrial common carriers.

Following the principles there set forth certain formulas were evolved to compute costs to an industry where it performed the terminal switching service, which eventually were embodied in a printed circular. The first four paragraphs of this circular and the rules particularly pertinent to this report are reproduced as appendix A hereto.

The rules set forth in the circular were exhaustive, providing among other things, for the appointment of committees for the receipt of applications for, and consideration and disposition of allowances; for conducting cost studies by an accounting committee to determine the proper amount of an allowance; for methods to be used in making such studies, including the apportionment of time to be charged to the carrier or the industry, and the amount to be allowed for interest and depreciation on locomotives provided by industries; and the definition of certain terms, as well as setting forth a partial list of what should be considered as plant interruptions or interferences which terminated the carrier's transportation service. These rules clearly indicate [fol. 65] the attempt of the carriers to establish a line of demarcation separating transportation services from industrial services.

Slight variations occur in the various freight associations with respect to the applications for and consideration of allowances. In central territory the industry desiring an allowance makes application to the carriers serving it. This application is referred to the general committee consisting of traffic managers of the carriers embraced in that territory. The general committee places the application

in the hands of the terminal allowance committee, which after analyzing the proposal, if nothing is found objectionable, calls upon the accounting committee to make a cost study. The result of the cost study should determine the amount of the allowance to be granted, but in many cases the results of the study have been disregarded. Practically the same procedure is followed in the trunk line association.

Since 1923 the western trunk line association has maintained a similar organization for the handling of allowances, and an additional legal committee to which the proposed allowances are referred for an opinion as to the legal phases involved. In all cases final judgment is reserved for the traffic executive committees of the respective associations should their consideration be necessary. The associations' committees have only recommendatory

Ex Parte No. 104, Part II—Sheet 25.

powers in any case, and the individual carriers affected always retain the right of action in making or failing to make an allowance.

The rules reproduced in the appendix were to some extent later modified, but these modifications will not be described in detail as the record deals principally with allowances made while the methods embodied in the circulars previously described were in force.

[fol. 66] The Practical Application of Rules for Making Allowances.

The first part of paragraph (3) 2 (c) of appendix A reads as follows:

The Interstate Commerce Commission has held that switching services by a plant facility for account of a carrier must not exceed the equivalent of team track or simple switch placement. If no unusual or marked difficulty of operation in a plant is presented, the service may be considered not in excess of a simple switch.

This part of the paragraph is included in the formula used in western trunk line territory, but the formula of the latter also contains the following sentence: "Any service in addition to that shall be at the expense of the industry."

This rule coincides with our conception of a carrier's duty with respect to the delivery and receipt of freight:

In the formula adopted in eastern territory, but not in that used in western trunk line territory, the following also appears:

If the plant requires some unusual, complicated, or extensive switching service in comparison with other plants of substantially the same type (but not necessarily of the same output), in the same vicinity, it shall be held that the service is in excess of a simple switch, and no allowance shall be made.

A diligent but unsuccessful effort was made to determine from officials of the committees, and other witnesses, the reason for the inclusion of the last sentence in paragraph (3) 2 (c). As written it is confusing, contradictory with other parts of the same paragraph, and its purpose could not be explained. The preceding sentences in the same [fol. 67] paragraph seem to recognize that if unusual or marked difficulty of operation in a plant is presented, the service should be considered in excess of team track or simple switch placement, and the additional service should be at the expense of the industry. The last sentence, on the other hand, holds that even though the service is unusual or of marked difficulty it shall not be considered in excess of team track or simple switch placement when other industries of substantially the same type, in the same vicinity receive comparable service.

Ex Parte No. 104, Part II—Sheet 26

Attention is directed to interruption and interference with the carrier's switching operations due to industrial operations as set forth in rules 6 and 8, and the definition of what should be considered as plant interruption and interference in rule 9. While these rules were promulgated by the carriers for their guidance, they have no binding force, and as shown by this record for all practical purposes they have been disregarded in every case where it appeared to a carrier in its interest to do so.

The reasons motivating the carriers to disregard or ignore these rules are usually grounded on consideration of traffic which can be diverted from other carriers to their lines by the payment of an allowance. The record discloses numerous cases in which unsuccessful formal complaints were brought before us by industries seeking an allowance.

Notwithstanding our finding that such industries were not entitled to allowances, the carriers later granted them.

The principal reason for the large increase since 1920, in allowances in the Chicago industrial area is the close relationship existing between the Elgin, Joliet & Eastern, one of the carriers serving many industries in that area, and a large industry which receives allowances at many [fol. 68] of its plants in the East. Because of the dominating influence of the parent industry, this carrier was not averse to making allowances, and in so doing disregarded the rules which had been drawn for the guidance of all carriers in making allowances. Competing carriers were thus forced to the same ends to secure or retain traffic. The practices give undue and unreasonable preference and advantage to the favored industry, and work undue and unreasonable prejudice and disadvantage to shippers in the same business who are not the beneficiaries of such allowances.

It is contended that in all cases where an industry performs its own spotting and receives an allowance therefor it can perform the work cheaper than the carrier, and that it is, therefore, in the interest of economy for the carrier to pay an allowance rather than perform the service itself. Doubtless this is true if it can be assumed that it is the carrier's duty to perform the spotting service in exactly the same manner as the industry finds it necessary to perform it in facilitating its operations. In making the cost studies the time consumed in moving cars between the interchange tracks and the points of loading or unloading within the plant is taken into account in determining the cost to the industry, regardless of the number of times the plant engine moves to and from the interchange tracks. Thus the industry by performing its own service is enabled to have cars spotted at its convenience and to the extent that it is compensated therefor by the carriers it not only obtains a service far in excess of any service the carriers would give under the line-haul rates should they undertake to perform the spotting service, but also a service in excess of that afforded other shippers dependent upon the carriers for such service. Compare, *Chesapeake & O. Ry. Co. v. Westinghouse, Church, [fol. 69] Kerr & Co., Inc., Chicago & A. R. Co. v. Kirby and Davis v. Cornwell, supra*. The industries generally use

small locomotives, have fewer men in the switching crew, and pay lower wages than the railroad. Thus if railroad engine-hour costs are computed on the basis of the number of engine hours charged by the industry to inter-

Ex Parte No. 104, Part II—Sheet 27

change switching, it is clear that the cost to the railroad would be greater. However, if the spotting service which the industry performs is not one which the duty of the carrier requires it to perform, the cost thereof whether great or small is of no concern and no economy to the latter.

Notwithstanding the fact that some industries are shown on the record to have intricate and complex systems of trackage consisting of numerous divisions and yards, each having a large number of tracks aggregating many miles in length, it is contended that even at the larger plants which now receive allowances, or which have locomotives assigned by respondents for exclusive use of such industries in performing the spotting service, no more than the equivalent of team track or simple switch placement was furnished by the carriers. It was attempted to establish that by dividing such industries in the sections, and further subdividing these sections into small yards and individual tracks, a point is finally reached where the carrier would perform no more service in reaching such location than it would perform in reaching team tracks or individual industrial tracks scattered throughout a city. We cannot grant the merit of such assumptions, for as we have seen the service afforded at such plants is in excess of the service which the carriers are obligated to perform under the line-haul rates and in excess of the equivalent of team track or simple switch placement [fol. 70] ment. Compare *New York Central & H. R. R. Co. v. General Electric Co.*, supra.

The argument has also been advanced on brief that a general definition of what constitutes the equivalent of team track or simple switch placements by the carriers involved herein cannot be made. We are inclined to the belief that this argument has merit, but this assumption does not conflict with our view, which is that a determination of what constitutes a carrier's duty with respect to the equivalent of team track or simple switch placement can readily be ascertained at any individual industry by experienced railroad operating men or committees if honestly performed without consideration of traffic reasons.

7

A vice president of one of the larger railroad systems gave general testimony with respect to his study and efforts to obtain uniformity in the matter of allowances. His testimony taken as a whole, recognizes the general confusion and lack of uniformity that have existed among the carriers for many years, due largely to the fact that each carrier has pursued whatever course its self-interest dictated with respect to the advisability of granting an allowance.

He also referred to the competitive methods of transportation which have greatly increased since 1920, and recognized that due to such competitive methods the railroads of the country at present should firmly retain the advantage now accruing to them in the performance of spotting service, maintaining that the delivery and receipt of freight upon private industrial sidings is one of the most important advantages that railroads have in retaining their close association with the shippers, with consequent traffic benefit to the railroads. He considers it entirely proper for a car-

Ex Parte No. 104, Part II—Sheet 28

rier to employ an industry as its agent to perform spotting service where the industry operates its own power, so long [fol. 71] as the allowance for such spotting is less than the cost to the carrier, and where the carrier could itself perform such service. Clearly this latter statement means that where a carrier could not, for any reason perform the service, an allowance would be improper. Further, as we have previously shown, the allowances which the carriers pay are usually based upon actual cost subject to a certain maximum amount. This cost is determined in part by the number of engine hours devoted to the spotting service regardless of the number of movements to and from interchange tracks made by the plant power.

Industrial Weighing

Practically all industries engaged in the production of iron and steel products, cement, sand and gravel, and similar heavy commodities, maintain track scales within their plants and weigh all cars handled both empty and loaded. The industries are thus enabled to keep an accurate record of the many materials and the grades thereof used in their operations. Weighing service, therefore, as carried on by industries is an indispensable part of the production and merchandising of their products.

Ordinarily the weights obtained by the industries are accepted by carriers for assessing freight charges, and the carriers are thus relieved of weighing on their scales. It is urged on this record that inasmuch as the carriers are relieved of the expense of weighing, the weighing service as conducted is equally beneficial to both the industries and the carriers. The record is entirely persuasive, however, that the industries maintain their scales and weigh their raw materials and finished products as well as the empty car entirely for their own benefit and convenience, and that the benefit derived by the carrier through the use of such weights is merely incidental.

[fol. 72] In practically all cases the unwillingness of the industries to accept the weights of the carriers and the consequent use of the industries' scales involves extra switching within the plants, and this accounts for the fact that in many cases the industries will not permit carriers to deliver or to receive cars directly at the point of unloading or loading, but require such delivery or receipt on tracks from which the cars can later be moved to the scales, weights ascertained, and the cars thereafter placed at the location desired by the industries. The manufacture of some products, for example, cement, requires ascertainment of the weight of all raw materials in order that these may be delivered at the point where manufacture begins, in the exact proportions necessary in delivering a product of the desired specifications. The movement of cars from the point where they are originally delivered or received to the scales for weighing, and their later placement would necessitate a charge for such movement if performed by a carrier. An industry by the use of its own locomotives thus avoids such expense, at the same time performs a service indispensable to its operations and in many instances receives payment by the carrier for such service. There is no indication on this record

Ex Parte No. 104, Part II—Sheet 29

that the individual respondents are unable or unwilling to render such weighing service upon their own scales as it is incumbent upon them to perform.

Illustrative of the necessity for plant weighing, the record shows one case where the switching service within the plant is performed by a locomotive jointly operated by several respondents. In this case cars are placed in an inter-

change yard within the plant by respondents. Such cars are later moved by the industry's locomotive to the scales, weighed, and placed in a second industrial yard also within the plant, and from this latter point are thereafter moved [fol. 73] by the respondents' joint locomotive to the numerous points of unloading within the plant without charge in addition to the line-haul rate. In this case the respondents have their own track scales, and are able and willing to perform the same weighing service for this industry that they perform for all other shippers. The industry is unwilling to accept the weighing service which it is respondents' duty to perform. Its operations require the use of its own scales with the consequent necessity of respondents' making a second movement of the cars without any compensation therefor. Under Rules 8, 9 and 10 of Appendix A, the scale is regarded as the point of interruption or interference and the service performed after such interruption or interference is chargeable to the plant.

Demurrage Rules

The Uniform Code of Demurrage Rules was promulgated early in 1910 as a result of recommendation of the Committee on Car Service and Demurrage of the National Association of Railway Commissioners, of which a former member of this Commission was chairman. Rule 3-E of the present code which was formerly 3-F provides:

Section E.—Except as otherwise provided in Section B, Paragraph 1, of this rule on cars to be delivered on interchange tracks of industrial plants performing the switching service for themselves or other parties, time will be computed from the first 7:00 a. m. after actual or constructive placement on such interchange tracks until return to the same or another interchange track. Time computed from actual placement on cars placed at exactly 7:00 a. m. will begin at the same 7:00 a. m.; actual placement to be determined by the precise time the engine cuts loose. (See Rule 2, Section A, Paragraph 2, page 31, Rule 4, Section C, page [fol. 74] 35, and Rules 5 and 6 pages 36 and 37). Cars returned loaded will not be recorded released until necessary billing instructions are furnished.

NOTE.—Where two or more parties each with its own power take delivery from the same interchange track, or

where the railroad company uses the interchange track for other cars, or where the interchange track is not adjacent to the plant and the industry uses the railroad's tracks to reach same, a notice of placement shall

Ex Parte No. 104, Part II—Sheet 30

be sent or given to the consignee and time will be computed from the first 7:00 a. m. thereafter.

It does not differ materially from what was formerly Rule 3-F. Rule 5 of the code, the so-called "constructive placement rule", provides:

When delivery of a car consigned or ordered to an industrial interchange track or to other-than-a-public-delivery track can not be made on account of the inability of the consignee to receive it, or because of any other condition attributable to the consignee, such car will be held at destination, or, if it can not reasonably be accommodated there, at the nearest available hold point, and written notice that the car is held and that this railroad is unable to deliver will be sent or given to the consignee. This will be considered constructive placement.

It is significant that at the time these rules were adopted certain of the large industries which performed their own switching service proposed to have incorporated therein what is known as the industrial rule. This rule in substance provided that when cars were interchanged with minor railroads or industrial plants performing their own switching service, handling cars for themselves or other parties, [fol. 75] an allowance of 24 hours would be made for switching in addition to the regular time allowed for loading and unloading. If returned loaded an additional 48 hours free time would be allowed. The rule was tentatively approved by the sub-committee, and differed from what has just been stated in the fact that minor railroads were not included. After more mature deliberations, however, the committee reached the conclusion that it should have no place in the demurrage code, and in effect held that the carrier can make no allowance of any character to a shipper or receiver for doing what the carrier itself is under no obligation to do, and that an allowance in the form of additional time was just as unlawful as one in the form of money.

Section 1 (3) of the act includes "delivery" and "receipt" in connection with "transportation". Their ordinary signification must be applied to such words. Therefore, delivery, i. e., the act of delivering, release, transference or surrender, as applied to cars, must be taken as the act of the carrier in surrendering its control of the cars to the industry.

Generally all industries which perform their own spotting service have entered into average demurrage agreements with the carriers that directly serve them and this should be borne in mind when we come to consider overhead allowances.

Overhead Allowances

Many of the plants discussed in this report are reached directly by one or more carriers and are indirectly reached by other carriers through absorption of switching charges. Allowances are made to these plants on line-haul traffic by the carriers that reach them directly. These carriers make no allowances, generally speaking, on traffic on which they

[fol. 76] Ex Parte No. 104, Part II—Sheet 31

secure merely a switching charge. In these instances the carrier that absorbs the switching charge makes an allowance to the plant, and these allowances are hereinafter designated as overhead allowances. However, all cars whether transported by the carrier in line haul or switching service are taken into account in the demurrage records of the delivering carrier. The tariffs providing for the switching charges in some cases list the industries to which the switching charges apply, in others, the switching limits are defined, and in still others switching charges are specifically designated to apply from the interchange track of the connecting line to interchange tracks of the plant. Thus in the first two cases mentioned it can be said that the switching charge applies from the interchange track of the connecting line to a final spot within the plant. The line-haul carrier by the absorption of the switching charge has paid the delivering carrier for that service, and the action of the line-haul carrier in making an overhead allowance to the plant results in a double payment by it for a portion of said service. If on the other hand, the switching charge applies to the interchange track of the plant, and the plant requested the

switching carrier to perform the actual spotting within the plant beyond the interchange track, an additional charge would necessarily apply for that additional service. The plant by performing the service with its own power relieves itself of paying that charge, and receives an allowance therefor. There can be no justification for an allowance in this latter instance and the payment thereof is a pure rebate. The carriers assign as a reason for their failure to make an allowance out of the switching rate, instead of having the line-haul carrier make an overhead allowance, the fact that the revenue derived from the switching charge is too thin; further that the industry is performing a service [fol. 77] which the carriers paying the allowance are required to perform as part of their transportation duty. Just how the carriers could perform this service is not apparent. It is claimed the switching line is agent for the line-haul carriers, and the industry is the sub-agent. If this were true a separate average demurrage agreement should have been entered into with each line-haul carrier and not with the switching line. However, the position taken is inconsistent, because they state that the allowances are made to the plant to fulfill what they regard as their obligation in spotting the cars at the point of loading or unloading, and that the allowances paid are in all cases less than the cost would be to the carrier if it undertook to perform such service. Manifestly, this would likewise be true with respect to the switching service if as a matter of fact the switching charge can be said to extend to the point of loading or unloading within the plant. Nevertheless, these carriers say that rather than pay an allowance on such traffic they would elect to perform the service themselves. Nothing seems clearer than that the obligation to make delivery rests only with the delivering line, whether that line be a trunk line or switching carrier. If any allowance is to be made to industries for performing a part of the service which the delivering carrier is under legal obligation to perform such allowance should concern only the delivery carrier.

Ex Parte No. 104, Part II—Sheet 32

Summary

Involved in this proceeding are approximately 200 industrial plants where spotting allowances are paid; and also numerous plants at which respondents assign locomotives

to perform spotting service beyond the points of interchange. In either case a second placement of cars is made. Some of the latter plants require the full-time assignment of locomotives for their exclusive use, and the service is performed under the direction and control of the industry. Others require such service for shorter periods, in some cases amounting to several hours daily. Manifestly it is not the amount but the kind of service required which must be considered in determining whether the performance of such service is an obligation of the carrier under its line-haul rates.

This proceeding also involves many industries which perform their own service without the assumption by respondents of the costs of any operation beyond the points of interchange. Some of these have unsuccessfully sought allowances, or requested respondents to perform greater service, which has been refused. Others have made no application for allowance, or for greater service, due to the fact that the service of a locomotive not under its direction and control would be attended by extreme hazards to plant employees or property, and in some instances by the necessity for secrecy regarding manufacturing methods. Others do not desire the operation of respondents' locomotives within their plants because of interference with industrial operations, even though to perform the service themselves results in increased operating expenses. We believe it must be conceded that industries such as are described in this paragraph are often compelled through the payment of freight rates to bear transportation charges which are dissipated by certain respondents in payment for or performance of services which are in excess of such respondents' legal obligations. Payment of allowances by respondents amounted to more than \$9,000,000 for the years 1927 to 1931, inclusive, but we have no means of estimating the expense to respondents for performing spotting service at industrial plants.

[fol. 79] While it is contended that discontinuance of payment of allowances, or performance by the carriers of service in lieu thereof, would induce the industries affected to use competitive means of transportation, such contention is unsupported by convincing evidence. It does not appear that the respondents which do not pay for or perform industrial spotting service have suffered to any greater extent from competitive forms of transportation than those carriers

which have indulged in such practices. We reach the conclusion that little if any traffic is being retained by respondents through the payment of such allowances, or the performance of spotting service.

It is likewise urged that the line-haul rates have been fixed to compensate the carriers for the performance of spotting service, but our consideration of the service as here involved leads us to a different conclusion. Many of the industries which now receive allowances or the performance by the carriers of the spotting service in lieu thereof, performed their own service without compensation or assistance for many years prior to the time they began

Ex Parte No. 104, Part II—Sheet 33

receiving aid from the carriers, and at the time the change was made, the line-haul rates were not altered. In such cases the carriers simply assumed a burden not previously borne.

This report deals only with traffic handled in interstate commerce and with Class I carriers. The principles announced, however, should be followed by all carriers subject to the Interstate Commerce Act. Section 15(13) of the act has been subjected to abuse. Many allowances of the kind herein considered were and are paid which were and are unwarranted.

When a carrier is prevented at its ordinary operating [fol. 80] convenience from reaching points of loading or unloading within a plant, without interruption or interference by the desires of an industry or the disabilities of its plant, such as the manner in which the industrial operations are conducted, the arrangement or condition of its tracks, weighing service, or similar circumstances, as set forth more specifically in rules 8, 9 and 10 of appendix A, the service beyond the point of interruption or interference is in excess of that performed in simple switching or team track delivery. Payment for, or assumption by the carrier of, the cost of service performed beyond such points of interruption or interference is found to be unlawful in violation of section 6 of the act.

Generally the payment of allowances for service, or the performance of such service without charge, to points within a plant which respondents are prevented, by the desires of an industry or the disabilities of its plant, from

reaching, without interruption or interference by the conditions mentioned in the preceding paragraph, provides the means by which the industry enjoys a preferential service not accorded to shippers generally. Such payment or performance dissipates respondents' funds and revenues, is not in conformity with efficient or economical management as contemplated by the Interstate Commerce Act, and not in the public interest.

MAHAFFIE, Commissioner, dissenting in part:

Much of the majority report is devoted to a discussion of legal principles with which I agree. It seems to me entirely clear that an allowance to an industry for spotting, which can not be done by the carrier on account of physical conditions, or which the industry is unwilling to allow the carrier to perform, is improper. Not only does this seem clear but it is, I think, undisputed on this record.

[fol. 81] I do not agree, however, that the right of the carrier to perform terminal services is limited to what is termed "the equivalent of team-track spotting", nor that a tariff which provides for a terminal service in excess of what apparently is considered to be that minimum, is necessarily unlawful.

I think it likely that practices have developed in connection with both services and allowances that are wasteful and should be discontinued. Notwithstanding that fact,

Ex Parte No. 104, Part II—Sheet 34

however, a carrier has a certain discretion as to the terminal services it will perform in connection with the line-haul movement.

The carrier is under no obligations to charge for terminal services. Business interests may justify it in waiving any such charge, and it will be considered to have waived it unless it makes plain to both shipper and Commission that it is insisting upon it. (Interstate Commerce Commission v. Stickney, 215 U. S. 98, 105.)

Some carriers hold themselves out to perform store-door pick-up and delivery services on certain classes of traffic at no additional cost to the shipper. Tariffs providing for lighterage and elevation services, or allowances for such service performed by the shipper for the carrier, are not

considered improper. *United States v. Baltimore & O. R. Co. (Arbuckle Case)*, 231 U. S. 274; *Interstate Commerce Commission v. Diffenbaugh*, 222 U. S. 42; *Lighterage Cases*, 203 I. C. C. 481.

In determining whether a practice is wasteful we should be in position to find that it has an adverse affect on the carrier's net income. No such finding can, I think, be made [fol. 82] as to the practices here held unlawful. Nor do I understand the majority so to find.

While it is concluded that allowances are wasteful and contrary to the public interest, the jurisdictional findings necessary to support that conclusion are not made. Nor does the majority find that the services for which allowances are made have not been considered in fixing the level of the line-haul rates. *Chesapeake & Ohio Ry. Co. v. Westinghouse, Church, Kerr & Co., Inc.*, 270 U. S. 260-265. The record, on the contrary, is conclusive that they have been considered in many instances. It is equally conclusive that it is generally an economy to the carrier to make the allowance rather than to perform the service with its own forces. The act makes it the duty of the carrier to handle shipments offered from and to locations on private sidings. This necessarily involves placement of the car for loading and unloading. An industry track placement is as much the carrier's duty as placement on a team-track. Whether it is as "simple" is beside the point. The fact is that by reason of the volume of traffic and the lack of capital investment in the facility and expense in maintaining it, it usually is less expensive to the carrier to perform its terminal services on industry tracks than on its own team-tracks.

The general subject here under consideration is not new. It has been before the Commission and the courts many times. *General Electric Co. v. New York Central & H. R. Co.*, 14 I. C. C. 237; *Associated Shippers of Los Angeles v. Atchison, T. & S. F. Ry. Co.*, 18 I. C. C. 313; *Car Spotting Charges*, 34 I. C. C. 609; *Interstate Commerce Commission v. Stickney*, *supra*; *Interstate Commerce Commission v. Diffenbaugh*, *supra*; *Atchison, T. & S. F. Ry. Co. v. United States*, 232 U. S. 199; *Los Angeles Switching Case*, [fol. 83] 234 U. S. 294; *New York Central & H. R. Co. v. General Electric Co.*, 219 N. Y. 227.

Ex Parte No. 104, Part II—Sheet 35

In my judgment, there is no warrant in this record or in the cases relating to the subject for finding, as does the majority, that services rendered beyond "the equivalent of team-track spotting" are unlawful.

Commissioner Atchison did not participate in the disposition of this proceeding.

By the Commission.

George B. McGinty, Secretary. (Seal.)

[fol. 84] **Ex Parte No. 104, Part II—Sheet 36**

APPENDIX A

Action of the Traffic Executive Association—Eastern Territory, at Meeting Held July 18, 1929

In view of the conditions under which arrangements for plant facility allowances have developed, it was the consensus (a) that such allowances should be limited to iron and steel industries and (b) should be on the 1915-1916 cost basis.

In the event that any departure from the foregoing is deemed advisable, the proposal with all the facts should be presented to the Traffic Executive Committee having jurisdiction, for review prior to any investigation of costs of approval or recommendation of the proposed arrangement.

Procedure for Consideration of Applications for Allowances and Rules for Determination of Allowances to Industries for Plant Facility Operation, Adopted by the Central Freight Association, Trunk Line Association and New England Freight Association.

(1) There shall be appointed a Special Standing Committee of not to exceed seven (7) members to be known as the C. F. A. Committee on Terminal Allowances and to be composed of members of the General Committee who shall act in person and not by proxy, except to another [fol. 85] member of the Committee, to whom shall be referred for investigation and recommendation, all applications for new allowances or for changes in allowances already made, it being understood that in Trunk Line territory, a Special Committee is not necessary inasmuch as the

matters referred to are handled by the Freight Traffic Managers Committee. It was understood that in Trunk Line Territory the Freight Traffic Managers Committee will act in the same manner as the special committee of the C. F. A.

(2) There shall be appointed an Accounting Committee to conduct cost studies of plant facility operations in the manner provided below. This Committee shall, in all cases, include local operating representatives of the roads serving the plant who, in co-operation with the Study Committee, shall determine whether the plant is properly, efficiently and economically operated.

Ex Parte No. 104, Part II—Sheet 37

(3) These committees shall function as follows:

1. A plant desiring a plant facility allowance or a change in an existing allowance should present its application on prescribed form to the Railroad or Railroads with which it connects, such application to be supported by five (5) copies of blueprint or other diagram showing the complete layout of the plant and tracks.

2. If the Railroad or Railroads which receive the application desire to avail themselves of the services of the applicant and make an allowance therefor, it or they shall submit the application to the Chairman of the Association having jurisdiction with request that study be made. The chairman of the Central Freight Association will then [fol. 86] confer with the Chairman of the Committee on Terminal Allowances as to allowances in C. F. A. territory.

- (a) If in their opinion the study should not be made a conference of the directly interested roads with the Committee on Terminal Allowances shall be held to consider the subject.

- (b) If in their opinion or in the case of allowances in Trunk Line or New England Territory in the opinion of the General Committees a study should be made—

The Chairman of the Association in whose territory the study is to be made shall instruct the Accounting Committee, referred to in Section 2 hereof, to review the operation of the plant and decide if it conforms with good rail-

road practice or otherwise. If the operation is found to be improper or not according to good railroad practice, the Accounting Committee will confer with the applicant and suggest changes necessary to meet these requirements. If such requirements are not fulfilled no study shall then be made, but the Accounting Committee shall report its findings to the C. F. A. Committee on Terminal Allowances for review and recommendation to the General Committee in the case of C. F. A. and to the T. L. or N. E. Gen. Committees in the case of allowances in those territories. If in the opinion of the Accounting Committee the operation is proper it will proceed to make a study to determine the cost in the manner set forth in Rules 1 to 16 inclusive.

[fol. 87] Ex Parte No. 104, Part II—Sheet 38

(c) The Interstate Commerce Commission has held that switching services by a plant facility for account of a carrier must not exceed the equivalent of team track or simple switch placement. If no unusual or marked difficulty of operation in a plant is presented, the service may be considered not in excess of a simple switch.

If the plant requires some unusual complicated or expensive switching service in comparison with other plants of substantially the same type (but not necessarily of the same output) in the same vicinity, it shall be held that the service is in excess of a simple switch and no allowance shall be made.

(4) Upon receipt of the Accounting Committee's report, the Chairman of the Central Freight Association shall submit it to the Committee on Terminal Allowances for its review and recommendation. Upon receipt of the report and recommendation of the Committee on Terminal Allowances, the Chairman of the Central Freight Association shall present it to the General Committee for consideration. If approved it shall be referred to the Central Traffic Executive Committee for disposition. For Trunk Line and New England Territory, the report of the Accounting Committee will be submitted by the Chairman of the Trunk Line Freight Traffic Manager's Committee or the Chairman of the New England General Committee as the case may be, to said Committees respectively, for disposition.

[fol. 88] Rules for Determination of Allowances to Plant
Facilities

Rule 1. To determine the amount to be paid by the Railroad to the plant for the terminal service performed, a study of the switching operations of the Plant shall be made and cost of all services thus obtained. The study shall be made jointly by authorized representatives of the Railroad and of the Plant for an agreed period of time, to be known as the "test period", during which period the operations must be typical or as nearly as possible of average normal operating and weather conditions.

Rule 2. The test period shall be sufficient to reflect representative average performance and expense. A minimum of seven (7) consecutive days should be taken with a preliminary educational period in which to instruct employees relative to the proper compilation of the field data. The data covering the preparatory period must not be used. If conditions are such that a test period of seven consecutive days is not representative of average or normal operating and weather conditions a period which shall be a multiple of seven days shall be studied.

Ex Parte No. 104, Part II—Sheet 39

Rule 3. An accurate record shall be made, on Work Report Card Form TAS—1, per sample attached hereto, of the service performed by each locomotive. The detail of service by minutes and the number of loaded and empty cars handled shall be recorded thereon. The cards shall be compiled by representatives of the Railroad and of the Plant at the time the service is performed, according to Rule 10 (Sections 1 to 16 inclusive), hereof.

Rule 4. The proportion of the total time of locomotive service that is chargeable to the Railroad and the Plant [fol. 89] shall be obtained from an analysis of the work report cards according to Rules 10 (Section 1 to Section 20), 11, 12, 13, 14, and 15. The percentage of the total time chargeable to the Railroad as reflected by the analysis shall be applied to the total cost of the locomotive service, as provided for in Rule 16 hereof, to obtain the proportion of the expense chargeable to the Railroad.

Rule 5. The proportion of the expense chargeable to the Railroad as prescribed in Rule 4 shall be divided by the

total number of inbound and outbound loaded cars interchanged with the Railroad, during the test period to determine the amount per loaded car that may be allowed to the plant by the Railroad for terminal service performed. The number of loaded cars should be restricted to those physically interchanged by the locomotives during the test period.

Rule 6. The allowance to a plant for a terminal service shall be the same amount for each connecting Railroad and shall not exceed the amount it would cost the Railroad to perform the same service with its own locomotives, at its convenience, without interruption or interference. The cost of Railroad operation to be in each case determined from available data by the Study Committee.

Rule 7. The Plant shall receive from the Railroad on designated interchange tracks loaded or empty cars for placement at the Plant and shall deliver loaded or empty cars from the Plant on designated interchange tracks.

Rule 8. The service between point of interchange and point of loading or unloading, as the case may be, shall be charged to the Railroad, provided it is a progressive movement to point of placement or delivery, performed without plant interruption or interference. If Plant interruption or interference is encountered the service after such interruption or interference shall be charged to the Plant.

[fol. 90] Rule 9. The following is a partial list of what shall be considered as plant interruption or interference as referred to in Rule 8.

(a) Convenience of the Plant, such as service in excess of normal operation.

(b) Plant operations that interrupt or interfere with movements of switch locomotives.

Ex Parte No. 104, Part II—Sheet 40

(c) Holding of cars for advice from the Plant as to disposition.

(d) Weighing for account of Plant.

(e) Locomotive crane operation that interrupts or interferes with movements of switch locomotives.

(f) Operation of Plant locomotives while engaged in performing work solely for account of the Plant that interrupt or interfere with movements of switch locomotives. This will include such services as switching car repair shop tracks of the Plant, moving cars of material between locations within the Plant, disposal of material for the Plant, etc.

(g) Maintenance or construction work, where it interferes with economical switching operations.

(h) Crews waiting for instructions from the Plant.

Section 18 of Rule 10 reads in part as follows: "On cars weighed for information or account of the plant the scale is the point of interruption or interference."

[fol. 91]

APPENDIX "B" TO PETITION

INTERSTATE COMMERCE COMMISSION

Inland Steel Company Terminal Allowance

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II, Terminal Services

Submitted October 17, 1934. Decided July 11, 1935

Carrier's obligations under its interstate line-haul rates found not to extend beyond the present points of interchange, and payment of an allowance to the industry for services beyond such points found unlawful.

Same appearances as in the original report.

Nineteenth Supplemental Report of the Commission

Division 6, Commissioners McManamy, Lee, and Miller by Division 6:

In the original report in this proceeding, Propriety of Operating Practices—Terminal Services, 209 I. C. C. 11,

certain principles were announced concerning the payment of allowances to industries heard on this record, for performing spotting service at their industrial plants, or the performance of such service by respondents in lieu of payment. This supplemental report pertains to an allowance paid by the Indiana Harbor Belt Railroad Company to the Inland Steel Company for spotting service performed by the latter company within its plant at Indiana Harbor, Ind. [fol. 92] This company produces a general line of iron and steel articles and coke by-products. The plant consists of two sections designated as plant No. 1 and plant No. 2. Construction of plant No. 1 was begun in 1901. It is bounded on the north by the main line of The New York

Ex Parte No. 104, Part II, Supplement No. 18—Sheet 2

Central Railroad Company, and on the south by the main line of The Pennsylvania Railroad Company. Construction of plant No. 2 was begun in 1906. This plant is separated from plant No. 1 by the lines of the New York Central, The Baltimore and Ohio Railroad Company and the Elgin, Joliet and Eastern Railway Company, none of which has any connection with the plants. Both plants have been served exclusively since about 1906 by the Indiana Harbor Belt from its Michigan Avenue yards located slightly more than one mile from the steel company's property. Prior to 1906, plant No. 1 was served only by the Pennsylvania.

The inbound commodities at plant No. 1 consist principally of steam coal, scrap iron, spare parts, oil and occasional cars of acid, spelter, kegs, and grease. The outbound commodities are steel bars, plates, shapes, sheets, bolts, rivets, spikes and angles. The inbound commodities at plant No. 2 are principally by-product coal, scrap and oil. The outbound commodities consist of heavy structural steel, small rods, bars and rails, tie plates, angle bars, sulphate of ammonia, naphtha and creosote. The steel company has sufficient capacity to accommodate daily the inbound movement of about 350 cars, and about 125 cars outbound.

Each plant is served by an extensive system of railroad tracks which practically encircle the plants. Plant No. 1 has approximately 7 miles, while plant No. 2 has approximately 50 miles of tracks. The track systems of the two [fol. 93] plants are connected by two tunnels, one having

two standard-gage tracks and the other having three tracks arranged for standard and narrow-gage operation. All of the tracks within and between the two plants are owned by the steel company, except one outbound interchange track at plant No. 1, owned by the Indiana

Ex Parte No. 104, Part II, Supplement No. 19—Sheet 3

Harbor Belt. It is not shown how the trackage is divided into separate tracks or at how many places materials are loaded or unloaded within the plants. The steel company owns 22 standard-gage locomotives varying in size from 50 to 94 tons, 8 narrow-gage locomotives, and 499 freight cars. A large number of these cars are of special type, built to facilitate intraplant movement of materials according to industrial needs. The narrow-gage locomotives and cars are used exclusively for intraplant and industrial service.

Delivery and receipt of freight is made by the Indiana Harbor Belt on interchange tracks located within each of the two plants. Cars are usually placed on the interchange tracks in considerable numbers at one time; in many cases an entire train is delivered. Normally the number of cars handled to and from the plants is limited by the capacity of the locomotive. The cars are not classified according to their contents or point of final destination, before delivery within the plant. The classification and spotting of the cars, after delivery has been made by the Indiana Harbor Belt, is performed by the steel company's locomotives, for which service the steel company receives a flat allowance of \$1.85 per loaded car. It is pointed out on brief that the volume of cars handled by the Indiana Harbor Belt results in a low cost per car handled.

For many years the Indiana Harbor Belt performed all [fol. 94] of the interchange switching at the two plants without extra charge. During much of this time the steel company's locomotive performed the intraplant switching. Both sets of locomotives worked under the direction of the industry's two yardmasters, one of whom was employed in each plant. There was a great volume of intraplant switching, and the total switching required the services of

Ex Parte No. 104, Part II, Supplement No. 19—Sheet 4

11 industrial locomotives each working three 8-hour shifts daily. The Indiana Harbor Belt had two 8-hour shifts in

plant No. 1 and three in plant No. 2. Because the switching was directed by an industrial yardmaster in each plant no serious difficulties were encountered. The business of the steel company was subject to fluctuations, and at times the Indiana Harbor Belt would be called upon to dispatch additional locomotives from its roundhouse seven or eight miles away, to perform the necessary spotting service. Many times, in order to eliminate delays or meet its industrial needs the steel company would use its own locomotives to perform this service, rather than depend on the carrier. The steel company decided that greater efficiency and therefore, a more flexible and satisfactory measure of switching service could be obtained if the work were unified and performed by the industrial locomotives. These facts constituted the reasons assigned on the record for the steel company's application to the Indiana Harbor Belt, in July, 1928, for an allowance.

A cost study was conducted in November, 1928, which, based on 1916 costs, developed a cost per car of \$1.12, and on 1928 factors, \$1.98 per car. As the result of bargaining by the steel company and respondent, an allowance of \$1.85 per loaded car, (the same as paid to a number of other industries of various kinds in the Chicago industrial area) was granted, effective October 25, 1930. Witness for the [fol. 95] industry testified that while the allowance granted was unsatisfactory, it was "felt that something less than the amount shown by the cost study would possibly be justified, as the industry hoped to gain some additional efficiency as a result of more concentrated operation than was possible when the railroads were in the plant."

Ex Parte No. 104, Part II, Supplement No. 19—Sheet 5

The record is conclusive that the service beyond the interchange tracks must be accommodated to the needs of the steel company, cannot be performed to conform with transportation operations which respondents can reasonably be required to perform, and is clearly in excess of the equivalent of team-track or simple-switch placement. Respondent is under no legal obligation to spot cars solely at the convenience of the steel company. *Pittsburgh Forge & Iron Co. v. Director General*, 59 I. C. C. 29; *United States Cast Iron P. & F. Co. v. Director General*, 57 I. C. C. 442; *Stewart Furnace Co. v. Pennsylvania R. Co.*, 68 I. C. C. 528. The respondents are therefore paying an allowance for service

for which they are not compensated under the line-haul rates. Propriety of Operating Practices—Terminal Services, *supra*.

We find that the respective interchange tracks as described of record are reasonably convenient points for the delivery and receipt of carload freight; that the transportation service for which the respondent carrier is compensated in its line-haul rates begins and ends at said interchange tracks; that the service performed by the Inland Steel Company beyond those points is a plant service; and that by payment of an allowance to the Inland Steel Company for service performed beyond the interchange tracks on interstate shipments, respondent carrier provides the means by which the industry enjoys a preferential service [fol. 96] not accorded to shippers generally, and refunds or remits a portion of the rates or charges collected or received as compensation for the transportation of property, in violation of section 6 (7) of the act.

An appropriate order will be entered.

Order

At a Session of the Interstate Commerce Commission, Division 6, held at its office in Washington, D. C., on the 11th day of July, A. D. 1935.

Inland Steel Company Terminal Allowance

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II, Terminal Services

Upon further consideration of the record in this proceeding concerning the lawfulness and propriety of the allowance paid by the Indiana Harbor Belt Railroad Company to the Inland Steel Company for the performance by the latter of spotting service within its plant at Indiana Harbor, Ind., and the Commission having under date of May 14, 1935, made and filed a report, Propriety of Operating Practices—Terminal Services, 209 I. C. C. 11, containing its legal conclusions with respect to the general situation presented, and the division having on the date hereof made and filed a supplemental report containing its findings of fact and conclusions with respect to the allowance paid

to the Inland Steel Company, which reports are hereby referred to and made a part hereof, and the division having found in said supplemental report that by the payment of said allowances the Indiana Harbor Belt Railroad Company [fols. 97-98] violates the Interstate Commerce Act as set forth in the above-mentioned reports:

It is ordered, That the Indiana Harbor Belt Railroad Company be, and it is hereby, notified and required to cease and desist on or before September 3, 1935, and thereafter to abstain from such unlawful practice.

By the Commission, Division 6.

George B. McGinty, Secretary. (Seal.)

[fol. 99] IN UNITED STATES DISTRICT COURT

SUBPOENA—Filed August 21, 1935

The President of the United States of America to Indiana Harbor Belt Railroad Company, Greeting:

We Commend You and Every of You, That you be and appear before our Judges of our District Court of the United States of America, for the Northern District of Illinois, at Chicago, in the Eastern Division of said District, on or before the twentieth day after service of this writ, exclusive of the day of service, to answer or otherwise defend against a certain bill in equity heretofore filed by Inland Steel Company, in the Clerk's office of said Court, in the City of Chicago, then and there to receive and abide by such judgment and decree as shall then or thereafter be made, upon pain of judgment being pronounced against you by default.

To the Marshal of the Northern District of Illinois to Execute.

Witness the Honorable James H. Wilkerson, Judge of the District Court of the United States of America, for the Northern District of Illinois, at Chicago aforesaid, this 15 day of August, in the year of our Lord One Thousand Nine Hundred and Thirty-five and of our Independence the 160th year.

Henry W. Freeman, Clerk. (Seal.)

Memorandum

The defendant is required to file its answer or other defense in the Clerk's office on or before the twentieth day after service hereof upon it, excluding the day of service; otherwise the said bill may be taken pro confesso.

Henry W. Freeman, Clerk.

[fols. 100-101] Served this writ on the within named Indiana Harbor Belt Railroad Company, a corporation, by delivering a copy thereof to L. T. Day atty. and agent of said corporation this 16 day of Aug., 1935. The president of said Corporation not found in my district; also tendered a copy of petition which he accepted.

Wm. H. McDonnell, U. S. Marshal, by E. Glaser, Deputy.

Marshal's fees:

1 Services	\$2.00
1 Mile06
	<hr/>
	\$2.06

[File endorsement omitted.]

[fol. 102] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

INTERVENTION OF INTERSTATE COMMERCE COMMISSION—Filed
August 23, 1935

To the Honorable the Judges of Said Court:

In accordance with the provisions of Section 212 of the Judicial Code, 36 Stat. L. 1150 (U. S. Code, Sup. VII, title 28, sec. 45a), we hereby enter the appearance of the Interstate Commerce Commission as a party defendant, and of ourselves, as its counsel, in the above-entitled cause.

Interstate Commerce Commission, Daniel W. Knowlton, Chief Counsel; Nelson Thomas, Attorney.

[fol. 103] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

/ ANSWER OF INTERSTATE COMMERCE COMMISSION—Filed
August 23, 1935

The Interstate Commerce Commission, intervening defendant in the above-entitled suit, now and at all times hereafter saving and reserving to itself all and all manner of benefit and advantage of exception to the many errors and insufficiencies in the petitioner's petition contained, for answer thereunto or unto so much or such parts thereof as it is advised that it is material for it to answer, answers and says:

I

Answering paragraphs I and II of the petition, the Commission, for the purposes of this suit, admits that the allegations therein contained are true.

II

Answering paragraphs III to XII, inclusive, of the petition, the Commission admits and alleges that it made the original report dated May 14, 1935, referred to in paragraph IV of the petition, and the Nineteenth Supplemental Report and order dated July 11, 1935, referred to in said paragraph IV, said order being mentioned also in paragraph III of the petition, copies of which, respectively, are attached to [fol. 104] the petition as Appendix A and Appendix B, in a proceeding then pending before the Commission and entitled Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, which proceeding was instituted by the Commission on its own motion, for the purpose, among others, of determining whether certain practices of what are referred to in said original report as Class I carriers, relating to the terminal services and affecting the operating revenues and expenses, of said carriers, were in violation of the Interstate Commerce Act; and the Commission respectfully refers the Court to the text of said reports and order for more full and complete information in the premises.

The Commission further alleges that in said proceeding the parties thereto, including the petitioner herein, were, and that each of them was, accorded the full hearing provided for in and by the Interstate Commerce Act; that in said hearing a large volume of testimony and other evidence bearing upon the matters covered in and by said appendixes was submitted to the Commission for consideration, including testimony and other evidence submitted on behalf of petitioner herein, by the counsel of said parties; that at said hearing and subsequently, both orally and in briefs filed in said proceeding, questions relating to said matters were fully argued and submitted to the Commission for determination on behalf of said parties by their respective counsel, including many of the particular questions raised by petitioner in this suit, whereupon the Commission determined said matters and entered and duly served upon the petitioner herein, and upon other interested parties, its said reports and order; that said reports and order included the Commission's findings of fact, decision, conclusions, order and requirements in the premises, and that, upon the evidence aforesaid, and as shown in and by said reports, the Commission made the findings and stated the conclusions upon which said reports and order are based.

[fol. 105] The Commission further alleges that the findings and conclusions in said reports were and are, and that each of them was and is, fully supported and justified by the evidence submitted in said proceeding as aforesaid.

The Commission further alleges that in making said reports it considered and weighed carefully, in the light of its own knowledge and experience, each fact, circumstance, and condition called to its attention on behalf of the parties to said proceeding by their respective counsel, including matters covered by the allegations of the petition herein.

The Commission further alleges that said order of July 11, 1935, was not made or entered either arbitrarily or unjustly, or contrary to the relevant evidence, or without evidence to support it; that in making said order the Commission did not exceed the authority which had been duly conferred upon it, and the Commission denies each of and all the allegations to the contrary contained in said petition.

Further and more particularly answering paragraph XI of the petition, the Commission denies each of and all the allegations therein contained.

The Commission specifically denies that, as alleged in paragraph XII of the petition, petitioner will suffer irreparable loss and injury, unless said order of July 11, 1935, is set aside and the respondent railroad company is required to withdraw the canceling tariff mentioned in said paragraph XII.

Except as herein expressly admitted, the Commission denies the truth of each of and all the allegations contained in the petition, in so far as they conflict either with the allegations herein, or with either the statements or conclusions [fol. 106] of fact included in said original report of May 14, 1935, and in said Nineteenth Supplemental Report and order of July 11, 1935, which reports and order are hereby referred to and made a part hereof.

All of which matters and things the Commission is ready to aver, maintain, and prove as this Honorable Court shall direct, and hereby prays that said petition be dismissed.

Interstate Commerce Commission, by Nelson Thomas,
Attorney. Daniel W. Knowlton, Chief Counsel, of
Counsel.

[fols. 107-108] *Duly sworn to by Balthasar H. Meyer.*
Jurat omitted in printing.

[fol. 109] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

ANSWER OF UNITED STATES OF AMERICA—Filed August 28,
1935

United States, one of the above defendants, for answer to
the Petition filed herein against it says:

I

United States admits that the facts alleged in paragraphs numbered I, II, III and IV of the Petition are true, except that United States denies that the suit is maintainable under the general equity jurisdiction of this court as asserted in said paragraph III.

II

United States denies the matters, things and conclusions alleged in paragraph V of the Petition, except that it admits

that it is the duty of railroad common carriers under their line-haul rates to perform reasonable terminal and switching service to effect the receipt and delivery of carload freight, but United States denies that said carriers, including the defendant Indiana Harbor Belt Railroad Company, may lawfully perform, without charge in addition to their line-haul rates, the service of switching and spotting cars within the private grounds and plant of petitioner and further denies that they may lawfully pay an allowance out of said line-haul rates to petitioner for performing said service; and United States further denies that said service [fol. 110] is a transportation service within the meaning of the Interstate Commerce Act, but alleges that it is a plant service as found by the Commission in its reports annexed as Appendices A and B to the Petition.

III

United States denies the allegations contained in paragraph VI of the Petition.

IV

Answering paragraph VII of the Petition, United States admits that for several years petitioner has performed, with its own facilities, the switching, moving and spotting of cars between points within its private grounds and plant for loading and unloading, and that it has received from said Indiana Harbor Belt Railroad Company and allowance of \$1.85 per car since October 25, 1930; but United States denies the remaining allegations of said paragraph VII and particularly denies that said switching and spotting service so performed by petitioner is a transportation service within the meaning of the Interstate Commerce Act.

V

Answering paragraph VIII of the Petition, United States admits that defendant Indiana Harbor Belt Railroad Company has published the tariffs set forth and described in said paragraph but denies that the first of said tariffs so described makes it lawful for said railroad company either to render switching and spotting services or to pay to petitioner the allowance therein provided. Further answering said paragraph VIII, United States disclaims any knowledge as to whether said railroad company would have cancelled said allowances but for the order of the Interstate

Commerce Commission issued July 11, 1935; and United States alleges in this connection that had said railroad company not elected to comply with the Commission's said order it could have sued in its own behalf in this court to enjoin the order under statute especially providing for such suit, but that it has not exercised that right.

[fol. 111]

VI

Answering paragraph X of the Petition, United States admits as therein alleged, that representatives of both the petitioner and said Indiana Harbor Belt Railroad Company appeared pursuant to notice and presented their testimony at hearings conducted by the Interstate Commerce Commission concerning the payment to petitioner of said allowance; but United States says that the remaining allegations of said paragraph X are argumentative and conclusory and therefore require no answer.

VII

United States denies the allegations contained in paragraph XI of the Petition and the several subdivisions thereof and denies that the Commission's said order of July 11, 1935, is unlawful or void for the reasons therein alleged or for any other reason.

VIII

United States denies the allegations of paragraph XII of the Petition and particularly denies that petitioner will suffer irreparable loss and injury unless said order of the Commission is enjoined; and United States alleges in this connection that even though petitioner be prevented by said order from receiving said allowances pending final determination of this suit, it has adequate and complete remedies at law and in equity to recover such amount, if any, which may be lawfully due it if said order of the Commission be finally held unlawful.

IX

Except as herein expressly admitted, United States denies each and every allegation contained in the Petition and in the several paragraphs and subdivisions thereof.

Wherefore, having fully answered the Petition, the United States prays that the relief therein prayed be denied and that the Petition be dismissed with costs to the Petitioner,

and that it have the benefit of such other and further orders, decrees or relief as may be just and proper.

Elmer B. Collins, Special Ass't to the Attorney General. John Dickinson, Assistant Atty. General. Michael L. Igoe, United States Attorney.

[fols. 112-113] DISTRICT OF COLUMBIA, ss:

Elmer B. Collins, being duly sworn, deposes and says that he is a Special Assistant to the Attorney General of the United States, duly appointed and qualified; that he has read the foregoing Answer and knows the contents thereof; and that the same is true of his own knowledge except as to the matters therein stated to be on his information and belief, and as to those matters he believes them to be true.

(Signed) Elmer B. Collins, Special Assistant to the Attorney General.

Subscribed in my present and sworn to before me this 23rd day of August, 1935. Dorothy Jost, Notary Public. (Seal.)

[fol. 114] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

INTERLOCUTORY INJUNCTION—August 28, 1935

The plaintiff having heretofore filed its Bill of Complaint praying for a permanent injunction against the United States of America and each of the other respondents, individually and collectively, against the enforcement, operation and execution of a certain report and order made and entered by the Interstate Commerce Commission, on the 11th day of July, 1935, in certain proceedings known and entitled as Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, the said order being effective on the 3rd day of September, 1935, and praying certain other relief as set forth in the bill; and upon motion of plaintiff for such interlocutory injunction pending the final order of the court herein;

And the Honorable James H. Wilkerson, Judge of the District Court of the United States for the Northern District of Illinois, pursuant to Section 47 of the United States Code, having called to his assistance to hear and determine said application for said interlocutory injunction, two other judges, namely, Honorable George T. Page, United States Circuit Judge and Honorable Walter C. Lindley, United States District Judge;

And it appearing that five days' notice of hearing by this court on such application for interlocutory injunction, to be held on Wednesday, the 28th day of August, 1935, was given to the above named respondents, to the Attorney General of the United States and to the Interstate Commerce Commission;

It further appearing from the Bill of Complaint that defendant, Indiana Harbor Belt Railroad Company, has filed a certain tariff schedule, to become effective September 3, 1935, in compliance with the aforesaid order of the Commission, whereby said defendant will cancel the allowance which has been paid plaintiff for several years last past as compensation for transportation services under paragraph (13) of Section 15 of the Interstate Commerce Act; and that the effective date of such cancelling tariff should be suspended pending the outcome of the matters in controversy in this proceeding;

And the court having jurisdiction of the parties hereto, and of the subject matter, and being fully advised in the premises, and upon hearing;

Now, therefore, it is ordered that during the pendency of this matter the United States of America and the Interstate Commerce Commission be and they are hereby restrained and enjoined from taking any steps for the enforcement and execution of the aforesaid report and order entered the 11th day of July, 1935, in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, in so far as the same apply to petitioner, Inland Steel Company, and the said report and order are suspended, stayed, and set aside, pending the further order of the court;

It is further ordered that the operation of the aforesaid tariff schedule filed by defendant, Indiana Harbor Belt Railroad Company, to become effective September 3, 1935, cancelling the aforesaid allowance to plaintiff be,

and it is hereby, suspended and set aside, pending the further order of this Court.

It is further ordered, that until the further order of the Court, any and all sums due and payable to plaintiff, under the aforesaid tariff providing said allowance, shall be set up by defendant Indiana Harbor Belt Railroad Company on its books of account, which sums so set up shall be paid over to plaintiff, or canceled, only upon the further [116-122] order of this Court, plaintiff by its counsel having agreed in open court to such arrangement, without prejudice.

*By the Court.

George T. Page, Circuit Judge. James H. Wilkerson, District Judge. Walter C. Lindley, District Judge.

August 28, 1935.

[fol. 123] IN UNITED STATES DISTRICT COURT

ORDER OF I. C. C.—Filed April 18, 1938

[fols. 124-125]

Order

At a Session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of February, A. D., 1937

Chicago By-Product Coke Company Terminal Allowances

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II, Terminal Services

Upon further consideration of the record in the above-entitled proceeding, and good cause appearing therefor:

It is ordered, That the effective date of the order attached to the fifty-sixth supplemental report therein be, and it is hereby, postponed to June 15, 1937.

It is further ordered, That the said order shall in all other respects remain in full force and effect.

By the Commission, Division 3.

George W. Laird, Acting Secretary. (Seal.)

[fol. 126] IN UNITED STATES DISTRICT COURT

In Equity. Nos. 14738, 14777, 15240, 15309, 15355, 14905

[Title omitted]

Before Sparks, Circuit Judge, and Wilkerson and Lindley,
District Judges

LINDLEY, District Judge:

FINDINGS OF FACT AND CONCLUSIONS OF LAW—Filed April
27, 1938

These five cases were consolidated for hearing, as the issue in each is substantially the same. The suits are of the precise character of those considered in *United States et al. v. American Sheet & Tin Plate Co., et al.*, 301 U. S. 402, wherein the court reversed an injunctive order entered at the suit of certain industrial corporations against the enforcement of an order of the Interstate Commerce Commission, which had its basis in *Ex Parte* No. 104 investigation of the Interstate Commerce Commission and certain supplementary proceedings as to each industry. In view of the determination in the case cited, the only question presented here is whether the specific facts existing with reference to each of the several industries here involved bring these cases within the rules announced by the Supreme Court. The findings of the Commission in the cases here involved were substantially the same as those considered by the Supreme Court. In that case the court found that there was substantial evidence to support the findings. Here the plaintiffs contend that substantial support of the Commission's findings is lacking and that the evidence is not such as to support the orders entered. Consequently it has devolved upon us to examine the evidence as to each plaintiff.

[fol. 127] (1) *Inland Steel Company*: From the supplementary proceedings as to the *Inland Steel Company* it appears that the company manufactures a general line of iron and steel products and coke by-products. Its property is in two sections, Plant No. 1 and Plant No. 2. No. 1 is bounded on the north by the New York Central Railroad and on the south by the Pennsylvania. The plants are separated by the

lines of the New York Central, The Baltimore and Ohio and the Elgin, Joliet and Eastern. Both plants have been served since 1906 solely by the Indiana Harbor Belt from its Michigan Avenue Yards located slightly more than one mile from the steel company's property.

The inbound commodities at Plant No. 1 consist principally of coal, scrap iron, parts, oil, acid, spelter, kegs and grease; the outbound commodities of steel bars, plates, shapes, sheets, bolts, rivets, spikes and angles. The inbound commodities at Plant No. 2 are principally coal, scrap and oil and the outbound commodities structural steel, rods, bars and rails, tie plates, angle bars, sulphate of ammonia, naphtha and creosote. The company accommodates daily some 350 inbound cars and some 125 outbound cars.

Each plant is served by an extensive system of railroad tracks, there being approximately fifty miles of track within the plants. The steel company owns 22 standard-gage locomotives, 8 narrow-gage locomotives and 499 freight cars, a number of which are of special type, built to facilitate intraplant movement of materials responsive to industrial needs. The narrow-gage equipment is used exclusively for intraplant and industrial service. Formerly the Indiana Harbor did the switching but the exigencies of the industry were such that it was deemed advisable that the steel company use its own locomotives and perform the service rather than depend upon the carrier.

The Indiana Harbor Belt delivers and receives freight on the interchange tracks located within each of the plants, sometimes as much as an entire train being placed on the [fol. 128] interchange tracks at one time. The cars are not classified according to their contents or final destination before delivery within the plant. After delivery on the interchange tracks, classification and spotting of the cars is performed by the steel company's locomotives, for which it receives from the carriers \$1.85 per loaded car. The services beyond the interchange tracks must be accommodated to the needs of the steel company; they cannot be performed in conformity with transportation operations which the railroad company can reasonably be required to perform and are in excess of team track or simple switch placement.

The respective interchange tracks are reasonably convenient points for the delivery and receipt of carload freight. The transportation service for which the carrier is compensated in its line-haul rates begins and ends at these tracks.

The service performed by the Inland Steel Company beyond those points is a plant service which the carrier is not bound to perform and for which it is not compensated.

We find substantial evidence to support these findings in the record, Vol. 5, pp. 4486, 4492 to 4493; Vol. 4 of Exhibits p. 293, R. 7747; Vol. 7, p. 7632 to 7659.

(2) Interlake Iron Corporation: The Duluth plant of this corporation was formerly owned and operated by the Zenith Furnace Company; it was purchased by the present owner in 1930 and is now known as the Zenith division of the iron corporation. It produces pig iron, coke and coke-oven by-products and sells coal at wholesale. Its principal inbound commodities are iron ore, scrap, acid and calcium chlorine. Its principal outbound shipments consist of coal, pig iron, coke and its by-products and under normal business conditions average about 2500 cars per month.

In the northern section of the plant are a pig iron storage yard, blast furnace, cast house and other necessary buildings used in producing pig iron, as well as a power plant, consisting of a large boiler house and engine room, ore storage yards and an ore-thawing plant used during the winter [fol. 129] season and a large ore unloading and storage trestle. In the central portion of the plant is the coke and by-products plant, which consists of a large battery of ovens and numerous buildings and tanks used in the production of coke and in handling and shipping the by-products. West of the coke ovens is a storage gas container of the capacity of 1,000,000 cubic feet. East of the ovens and near the plant boundary is ground used for the storage of coke. The south portion of the plant, which adjoins the coke by-products works, contains a coal dock about 2000 feet long, served by a boat slip. Adjoining this dock and paralleling it is a coal-storage yard about 375 feet wide with a capacity of 500,000 tons.

All portions of the plant are served by industrial tracks, consisting of ten miles of standard-gage trackage, divided into approximately forty-five separate tracks, and a small amount of narrow-gage track. North of the plant is the mail line of the Northern Pacific. The carrier delivers and receives cars on interchange tracks which it owns, located outside of the plant immediately adjacent to the northwest corner of the industrial property. Two tracks scales, owned by the corporation, are located within the plant near the

interchange yards and all cars handled at the plant are weighed, empty and loaded. Between the interchange tracks and the numerous points of loading or unloading scattered throughout the plant, the cars are handled by locomotives owned by the industry, and for the switching or spotting service by the company an allowance is paid by the carrier. A considerable amount of switching service within the plant is performed by locomotive cranes.

The allowance to the Zenith Company was first made by an agreement between that company and the carrier on October 2, 1903. The agreement recited that inasmuch as the business of the furnace company had so increased that it required a large part of the time of an engine and crew to [fol. 130] perform the handling and switching of cars and inasmuch as the iron company was willing to handle the switching upon receiving proper compensation, the carrier agreed to construct a suitable interchange track and to pay the industry \$1 per loaded car for cars handled by it on which it received the line-haul revenue. In 1921 the allowance was increased to \$1.50 per car, and this allowance has continued to the iron corporation since its acquisition of the plant and applies to loaded cars handled by the carrier under switching charges as well as those on which the carrier receives line-haul revenue.

The plant has been enlarged since 1903 when the allowance first became effective and it has become even more impractical than it was then to operate the carrier's locomotives therein. Under business conditions such as prevailed in 1930 the spotting of cars by the carrier at the loading or unloading points within the plant would require 2½ eight-hour locomotive tracks for each twenty-four-hour period as well as additional yard masters, enginehouse men, yard-checkers and messengers. Even then the industry would have to continue to use its locomotives and cranes for performing interplant switching.

Among the necessary plant operations during times of normal business are the selection of cars containing blast furnace materials such as ore, coke and scrap iron and the movement of those cars in specified volumes and proper order to facilitate the production of pig iron. During the summer season cars containing ore are handled from the interchange tracks, weighed and moved to an ore trestle, where the contents are dumped and delivered by mechanical

means to the blasting furnace. In the winter season, when the ore is frozen, it is necessary to move cars into heated buildings of which there are six, each having a capacity of seven cars, where the ore is thawed. It is then moved for storage or to the trestle for dumping.

Much coal comes in by both the coal dock and storage yard. The extreme end of the coal dock is about one and one-half miles from the interchange track. Four industrial railroad tracks, each with a capacity of about thirty cars, [fol. 131] serve this yard. The dock, yard and tracks are served by a traveling coal-handling bridge with traveling coal-screening plant which unloads coal from boats to the storage yard, or into cars or from the storage yard into cars. Outbound cars are loaded at any point on the track which parallel the coal yard and then moved to the scales, weighed and from this point moved to the interchange tracks. The distance between the coal-storage yard and the interchange tracks ranges from 1600 to 3100 feet. Other outbound commodities are moved from the coke plant or by-products plant or from the blast furnace or other loading points within the property, being weighed en route. These movements average from $\frac{1}{4}$ to $\frac{1}{2}$ mile in length.

Because of intraplant movement, performed by the iron company's locomotive cranes and switching engines, considerable interference with the industrial operation would result if the carrier attempted to perform the spotting service within the plant. The movements described, all of which take place beyond the interchange tracks, located closely adjacent to the scales and plant entrance, are clearly a part of the industrial operation and not a part of the transportation service which a carrier is obligated to perform under line-haul rates. The carrier is prevented by the manner in which the industrial operations are conducted from performing service beyond the interchange tracks.

The line-haul rates cover the delivery and receipt of shipments at a reasonable convenient point, which, in the present instance, is the interchange tracks, and the transportation service of the carrier begins and ends at these tracks. The movements by the iron corporation between the interchange tracks and points within the plant are industrial services which it is not the duty of the carrier to perform.

The evidence supports these findings and conclusions. See pages 6837 to 6879 inclusive and Exhibit B-28.

[fol. 132] (3) Crane Co: This company's property in Chicago covers approximately 150 acres of land wherein are manufactured plumbing and steam fitting supplies, pipes and valves. Eight miles of track, comprising about forty separate tracks, are located within the plant. The industry owns one locomotive, which is used principally for intraplant switching. The various carriers deliver and receive traffic on nine interchange tracks which have a capacity of eighty-five cars, and service to and from these tracks is made over one lead track. The principal inbound commodities are scrap and pig iron, fluorspar and brick. Cars containing these materials, after being placed on the designated interchange tracks, are moved by the locomotive to a track scale where they are weighed, in order to afford the industry an accurate record of its stock and materials, and then moved to another series of tracks at another corner of the plant, during day-light hours. At night, after operation the plant has suspended, an engine and crew of one of the carriers, referred to as the switching company, on behalf of all the carriers, performs the necessary classification and switching of the cars from the second series of tracks referred to, to numerous points of loading or unloading located in various parts of the plant. It is impractical to perform this switching during working hours, due to industrial operations and consequent hazards. The switching company's locomotives, in some instances remove loaded cars from the point of loading to the outbound tracks, but that work is usually performed by the plant locomotive. The expense to the switching company in performing the service is prorated on an engine-hour basis among the carriers for which the service is performed. Under normal conditions the switching service performed by the switching company requires about seven hours daily. As many as forty loaded cars have been shipped from the plant in one day.

The service performed beyond the interchange tracks is an industrial service which the carriers are not obligated to perform and for which they are not compensated under their line-haul rates.

Substantial evidence in support of these findings and conclusions is found in the record at pp. 3797 to 3827; 4497 to 4502; 8499 to 8505, 8513 to 8524; 8477 to 8498.

[fol. 133] (4) American Steel Foundries: This company operates at Indiana Harbor, manufacturing steel castings and railroad specialties. The plant, consisting of buildings and material yards, is served by two miles of standard-gage railroad track. There are twenty-three separate tracks within the plant and the company maintains a locomotive primarily for moving cars in intraplant service between the various parts of the plant. The Indiana Harbor Belt Railroad delivers and receives cars on interchange tracks located on the carrier's property, paralleling one side of the plant. The E. J. & E. delivers and receives cars on interchange tracks paralleling another side. Inbound traffic of from eight to ten cars daily consists principally of scrap and pig iron, ore, sand, coal and clay; outbound commodities of the manufactured products. The cars containing the inbound and outbound commodities are moved by the company's locomotive between the interchange yards and the points of unloading or loading, of which there are about thirty. For such service an allowance of \$1.85 per loaded car has been paid by the carriers since 1921.

Formerly the interchange service was performed by the carriers. In 1916 the industry acquired its locomotive and began performing all of the switching. Approximately fifty per cent of the locomotive time at the plant is consumed in the performance of intraplant switching and movements of this nature are not performed by the carriers except at a switching charge. It appears, therefore, that the industry was able through the operation of its own locomotive to have its intraplant switching performed at times and in a manner to suit its industrial convenience and at the same time avoid the carriers' switching charges for intraplant switching.

In performing spotting service the industry's locomotive moves the cars between the interchange tracks and the points of loading and unloading within the plant at such times and in such manner as will best facilitate the industrial operations. As many movements are made daily as the industrial operations require. Such service is industrial service not within a carrier's obligation to render for shippers. The industry, by performing the spotting service for which it is reimbursed by the carriers through payment of the allowance, has the advantage of a superior

switching service as compared with industries which are provided with only the normal service rendered by carriers. [fol. 134] The existing line-haul rates of the carriers must be construed to cover delivery and receipt of shipments at a reasonably convenient point. The interchange tracks constitute such a reasonable point, and transportation service which it is the duty of the carriers to perform begins and ends at these tracks. The movements beyond those tracks constitute industrial services, which it is not the duty of the carriers to perform under the line-haul rates.

Substantial evidence supporting these findings and conclusions appears in the record pp. 7592 to 7609; 7610 to 7615; 7617; 4499 to 4507.

(5) Chicago By-Products Coke Company: This industry produces at its plant at Hawthorne near Chicago gas, coke and by-products, such as sulphate of ammonia and tar. Its plant covers an area approximately 2200 feet wide and 3200 feet long; wherein are located a machine shop, boiler house, generator house, a by-product building, three coke oven batteries and the facilities necessary for storing and handling large quantities of coal and coke. The buildings and facilities are served by a network of some thirty-five tracks extending throughout the plant and having a capacity of approximately 800 cars. Approximately 30,000 cars are handled at the industry annually, about 60 per cent being inbound and 40 per cent outbound. There are two principal loading points for coke, two for tar and one for ammonia sulphate and one each for acid, lime, oxide and miscellaneous stores. Inbound and outbound shipments are delivered or received by carriers on seven parallel interchange tracks, mostly within the industrial property.

The industry with its own power moves the cars between the interchange tracks and loading and unloading points located on tracks within the plant. Approximately sixty per cent of the total engine-hour time is devoted to interchange switching and forty per cent to intraplant switching. The plant operates twenty-four hours a day and as many locomotives are kept in service as the industrial needs require. It would be impossible to operate the plant in an efficient manner if the switching were performed by railroad crews and locomotives. Plant operations are carried on in such a way that the plant locomotives, being

[fol. 135] under the industry's supervision, can perform the spotting service more efficiently and at less expense than the railroads can perform it and it is possible for the crews of the plant locomotives to perform spotting with less interference than if a carrier crew should perform it.

The loading and unloading points are within the plant. Some of them could be reached directly from the carrier tracks, but the greater part of them may be reached only by the movements heretofore described. The spotting of cars at the track hopper is done by an electric car puller, which can handle only one car at a time. The industry produces a large amount of gas and must be prepared at all times to meet the demands of the public. A locomotive must be available to move cars between the interchange yards and the track hopper at such times and in such numbers as the industrial needs require.

For the spotting service thus rendered the industry receives from the carrier a maximum allowance of \$1.85 per loaded car. The track layout is unusually complex as compared with ordinary team tracks or industrial tracks upon which carriers ordinarily perform switching. The amount of spotting service required by the industry and the manner in which it must be performed is in excess of that which carriers are obligated to render under their line-haul rates. Those rates must be construed to cover delivery and receipt of shipments at reasonably convenient points. The transportation service which it is the duty of the carriers to perform begins and ends at the interchange tracks and the movements beyond those tracks are industrial services.

Substantial evidence supporting these findings and conclusions appear in the record at pp. 3740 to 3750; 8237 to 8268; 8275 to 8290.

(6) Acme Steel Company: This company's plant, located at Riverdale near Chicago, Illinois, lies near the Illinois Central and Pennsylvania Railroad tracks. The Pennsylvania may handle incoming and outgoing freight directly, but the Illinois Central must use the trackage of the Pennsylvania.

[fol. 136] The plant has been operating since 1919 and was enlarged in 1929. On it are located eleven tracks of the total mileage of 4.7 miles, serving seven loading and five unloading points where freight cars are spotted. The chief article of manufacture is strip steel and the principal commodities

handled are steel, coal and acid. Inbound and outbound shipments average 450 carloads monthly. The two carriers performed the necessary spotting service until 1925 when the steel company purchased two locomotives and elected to perform the service, provided it was paid an allowance. Since that time cars have been received and delivered by carriers on interchange tracks located within the plant and the two plant locomotives are then used alternately in performing the spotting and intraplant switching. The company also owns and operates two locomotive cranes used principally for the unloading of cars containing coal. The carriers pay to the steel company an allowance of \$1 per loaded car for this spotting service.

Certain tracks within the plant on which cars are unloaded or loaded do not have capacity to accommodate at one time cars used in the daily operations. This requires in many cases that cars on such tracks be switched as soon as they are loaded or unloaded and that other cars which have been held on the interchange or storage tracks be placed for like purposes. If the Pennsylvania were called upon to do this switching, the assignment of an additional locomotive would be necessary, due to the services required in the new enlarged plant. Some of the outbound cars are loaded with different kinds of steel produced at different points, and this fact necessitates movement of such cars to and from those units for partial loading.

It appears clearly that the services rendered beyond the interchange cars is necessitated by the industrial requirements and is in excess of the carrier's obligation under its direct line-haul rates. The existing rates of the carriers must be construed to cover the delivery and receipt of shipments at a reasonably convenient point. The interchange tracks constitute such a reasonable point. The transportation services which it is the duty of the carriers to perform begin and end at the interchange tracks, and the movement required by the steel company between these tracks and points of loading and unloading are industrial services [fol. 137] which it is not the duty of the carriers to perform.

Pertinent evidence in the record, at pages 3740-3761; 7524-7531; 7577-7592; 7578-7592, gives substantial support to these findings and conclusions.

The facts in each of these cases are such that the decision of the issues involved is controlled by United States v.

American Sheet & Tin Plate Company, 301 U. S. 402. There the court said:

"The Commission properly held that each case must be decided upon the circumstances disclosed. It accordingly examined the evidence respecting the operations at the plant of each of the appellees and made its findings with respect to each upon the evidence in the record. We find it unnecessary to detail that evidence since it is summarized in the Commission's reports. It is sufficient now to say that in every case the Commission found, upon sufficient evidence, that the cars were, in the first instance, placed upon lead tracks, interchange tracks or sidings and subsequently spotted from these tracks; in each instance the spotting service involved one or more operations in addition to the placing of the car on interchange tracks, such as moving it to plant scales for weighing, or some additional burden, such as conformance to the convenience of the plant, supply of special motive power required by the plant's layout or trackage or some other element which called for excessive service greater than that involved in team track spotting or spotting on an ordinary industrial siding or spur. We are unable to say that the findings in respect of the individual plants lacked support in the evidence. We are, therefore, bound to accept them and to hold the orders lawful."

The court further said:

"The Commission is clearly empowered to determine what is embraced within the service of transportation and what lies outside that service. Since the Commission finds that the carriers' service of transportation is complete upon delivery to the industries' interchange tracks, and that spotting within the plants is not included in the service for which the line-haul rates were fixed, there is power to enjoin the performance of that additional service or the making of an allowance to the industry which performs it. * * * The Commission has, in each case, found that the interchange tracks of the respective industries are reasonably convenient points for the receipt and delivery of interstate shipments and that the industry performs no service beyond those points of interchange for which the carrier is compensated under its interstate line-haul rates. These findings are an adjudication by the Commission that the spotting

service within the appellees' plants is not transportation service which the carriers are bound to render in respect of receipt and delivery of freight. The statute contains this definition: 'The term "transportation" shall include . . . all services in connection with the receipt, delivery, elevation, and transfer in transit . . . of property transported.' The Interstate Commerce Commission is authorized and required to enforce the provisions of the Act and, after hearing, if it be of opinion that any regulation or practice of a carrier be unjust or unreasonable, or unjustly discriminatory, 'or otherwise in violation of the provisions of this act,' to determine what practice is or will be just, fair and reasonable to be thereafter followed and to make an order that the carrier cease and desist from violation to the extent that the Commission finds violation does or will exist."

[fols. 138-139] All this language applies with full force and effect to each of the cases here.

We are unable to say that the findings in respect to the several industrial plants lacked support in the evidence. Rather we find substantial support for each. We are, therefore, bound to accept them and to hold the orders valid.

We find nothing in the record distinguishing these cases from those considered by the Supreme Court.

Accordingly the temporary injunctions heretofore entered will be dissolved and each of the bills dismissed for want of equity at the cost of plaintiffs.

The foregoing includes and is adopted by us as our findings of fact and conclusions of law.

Entered this 27th day of April, A. D. 1938.

William M. Sparks, Judge. James H. Wilkerson,
Judge. Walter C. Lindley, Judge.

[fol. 140] IN UNITED STATES DISTRICT COURT FOR THE NORTH-
ERN DISTRICT OF ILLINOIS, EASTERN DIVISION

In Equity. No. 14738

INLAND STEEL COMPANY, Plaintiff,

VS.

UNITED STATES OF AMERICA, INDIANA HARBOR BELT RAILROAD
COMPANY, and INTERSTATE COMMERCE COMMISSION,
Defendants

FINAL DECREE—April 27, 1938

This cause came on to be heard for final hearing and was heard on petition, answers to petition and proofs, and was argued by counsel before the specially-called and constituted District Court convened pursuant to the provisions of law; and thereupon, upon consideration thereof, all of said judges concurring, it was finally determined, ordered, adjudged and decreed as follows, viz:

1. That the order heretofore entered herein dated August 28, 1935, granting an interlocutory injunction, be, and the same is, in all respects, hereby vacated and set aside and the interlocutory injunction heretofore issued pursuant thereto, be, and the same is hereby, dissolved, and that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendant herein would have been payable to the plaintiff since the date of said interlocutory injunction and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carriers on its books of account, subject to the further order of this Court, shall be retained by said carrier as a part of its general funds and said account canceled.

[fols. 141-145] 2. That the relief prayed in the petition be, and the same is hereby, denied, and the petition is hereby dismissed for want of equity.

By the Court, this 27th day of April, 1938.

William M. Sparks, United States Circuit Judge.

James H. Wilkerson, United States District Judge.

Walter C. Lindley, United States District Judge.

[fol. 146] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

MOTION TO MODIFY FINAL DECREE—Filed May 25, 1938.

Now comes the above named plaintiff and moves this Honorable Court to modify the final decree entered by it in the above entitled cause on April 27, 1938, in the manner hereinafter set forth, and in support of said motion, plaintiff respectfully shows:

I

The aforesaid final decree of the Court fails to consider certain facts and circumstances hereinafter more particularly set forth; chiefly, the fact that subsequent to the interlocutory injunction in this case, the Commission, by order, postponed the effective date of the cease and desist order entered in this cause and the carrier voluntarily filed a new tariff supplement continuing the allowances in effect, without regard to the requirements of the Court's injunction. Moreover, in other similar cases, the courts and the Commission have permitted the continued payments of allowances condemned in orders of the Commission in the underlying proceedings until the tariffs providing therefor finally had been canceled.

II

The Indiana Harbor Belt Railroad Company is the only carrier defendant in the above entitled cause, in which plaintiff prayed for injunction restraining the enforcement of the order attached to the 19th Supplemental Report of the Interstate Commerce Commission, 209 I. C. C. 747, condemning an allowance of \$1.85 per loaded car. This defendant entered no appearance and made no answer to the bill of complaint.

[fol. 147]

III

The allowance to the plaintiff industry for terminal services performed by that industry is published by the Indiana Harbor Belt Railroad Company in its tariff I. C. C. No. 830, which was issued March 11, 1933, and effective April 15, 1933. A certified copy of this tariff and of the supplements hereinafter referred to are attached hereto as Exhibit A.

This tariff remained in full force and effect to the date of the final decree herein.

IV

The order of the Interstate Commerce Commission, which has been the subject of this suit, was entered July 11, 1935, to become effective September 3, 1935, but was postponed by the further order of the Commission to June 15, 1937. Prior thereto, this Court entered an interlocutory injunction on September 28, 1935, providing as follows:

"Now, therefore, *it is ordered* that during the pendency of this matter the United States of America and the Interstate Commerce Commission be and they are hereby restrained and enjoined from taking any steps for the enforcement and execution of the aforesaid report and order entered the 11th day of July, 1935, in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expences, Part II, Terminal Services, in so far as the same apply to petitioner, Inland Steel Company, and the said report and order are suspended, stayed, and set aside, pending the further order of the court;

It is further ordered that the operation of the aforesaid tariff schedule filed by defendant, Indiana Harbor Belt Railroad Company, to become effective September 3, 1935, cancelling the aforesaid allowance to plaintiff be, and it is hereby, suspended and set aside, pending the further order of this Court.

It is further ordered, that until the further order of the Court, any and all sums due and payable to plaintiff, under the aforesaid tariff providing said allowance, shall be set up by defendant Indiana Harbor Belt Railroad Company on its books of account, which sums so set up shall be paid over to plaintiff, or canceled, only upon the further order of this Court, plaintiff by its counsel having agreed in open court to such arrangement, without prejudice."

[fol. 148]

V

The Commission's above mentioned order of February 26, 1937, voluntarily postponing the effective date of its order to June 15, 1937, was received in evidence by this Court at the final hearing herein. It reads as follows:

"Upon further consideration of the record in the above-entitled proceeding, and good cause appearing therefor:

It is ordered, That the effective date of the order attached to the nineteenth supplemental report therein be, and it is hereby, postponed to June 15, 1937.

It is further ordered, That the said order shall in all other respects remain in full force and effect."

VI

On August 1, 1935, the Indiana Harbor Belt Railroad Company published Supplement No. 1 to its Tariff I. C. C. No. 830, cancelling the allowance in conformity with the cease and desist order of the Interstate Commerce Commission, which was then to be effective September 3, 1935. Thereafter, the Indiana Harbor Railroad Company filed its Supplement No. 2 to its Tariff I. C. C. No. 830, postponing until further notice the Cancellation Supplement No. 1. Plaintiff urges and contends that it is entitled to receive all sums which arose under the terms of the tariff because said tariff has at all times remained in full force and effect and has never been suspended or canceled.

VII

The decree as entered September 28, 1935, is erroneous in fact and in law because (1) the Court received no evidence and made no finding of facts upon which it could base such a decree and (2) the Court has no jurisdiction to set aside the terms of the tariffs and has no power to command a departure therefrom.

Wherefore, plaintiff moves this Honorable Court to modify the final decree entered by it in the above entitled cause on April 27, 1938, by striking therefrom that portion of paragraph 1 of said decree which reads as follows:

[fol. 149] "and that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendant herein would have been payable to the plaintiff since the date of said interlocutory injunction and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carriers on its books of account, subject to the further order of this Court, shall be retained by said carrier as a part of its general funds and said account canceled,"

and by entering its further order directing the defendant, Indiana Harbor Belt Railroad Company, to account for and

pay over to plaintiff all sums which have become payable pursuant to the allowance tariff.

Nuel D. Belnap, John S. Burchmore, Solicitors for Plaintiff.

[fol. 150] EXHIBIT "A" TO MOTION TO MODIFY DECREE

(Certified Copies of Tariff and Supplements)

[fol. 151] Interstate Commerce Commission, Washington

I, W. P. Bartel, Secretary of the Interstate Commerce Commission, do hereby certify that the schedules hereto attached and more particularly hereinafter described, are true copies of schedules filed with the said Interstate Commerce Commission on dates specified below, to wit:

Indiana Harbor Belt Railroad Company Local Freight Tariff, I. C. C. No. 830; said schedule having been filed on March 11, 1933. Supplement No. 1 to said I. C. C. No. 830, filed August 2, 1935. Supplement No. 2 to said I. C. C. No. 830, filed August 30, 1935.

The pencil and stamped additions appearing on the copies hereto attached are expressly excluded from this certification, as none of said additions appear on said schedules so filed.

In Witness Whereof I have hereunto set my hand and affixed the Seal of said Commission this 5th day of May, A. D., 1938.

(Signed) W. P. Bartel, Secretary of the Interstate Commerce Commission. (Seal.)

[fol. 152] No supplement to this tariff will be issued, except for the purpose of cancelling the tariff, unless otherwise specifically authorized by the Commission.

G. F. D. No. 505-A	I. R. C. No. 528	I. C. C. No. 830
Cancels	Cancels	Cancels
G. F. D. No. 505	I. R. C. No. 511	I. C. C. No. 796

Indiana Harbor Belt Railroad Company

Local Freight Tariff

Covering

Allowances to

Inland Steel Company

at

Indiana Harbor, Indiana

On all carload shipments (including trap cars containing 6,000 pounds or more of less carload freight) destined to or coming from the plant of the Inland Steel Company at Indiana Harbor, Ind., the terminal switching service is performed by the Inland Steel Company for account of the Indiana Harbor Belt Railroad Company. Such terminal switching service, for which this allowance is made, consists of the handling of the cars between the point of interchange of such cars with this company and the point at which such cars are unloaded or the point at which such cars are loaded in said plant.

For such terminal service performed for the Indiana Harbor Belt Railroad Company by the Inland Steel Company at Indiana Harbor, Ind., the Inland Steel Company will be allowed \$1.85 per loaded car which will include the handling of the empty cars in the reverse direction.

This allowance is not in excess of the average actual cost of the service as disclosed in a joint study of the operation of the plant facility made during the year 1927, and filed with Interstate Commerce Commission.

Issued March 11, 1933.

Effective April 15, 1933.

Reduction.

Issued by W. H. Ward, General Freight Agent, La Salle Station, La Salle and Van Buren Streets, Chicago, Ill.

(100-Req. T-576.)

[fol. 153] Supplement No. 1 contains all changes from the original tariff that are effective on the date hereof.

Supplement No. 1	Supplement No. 1	Supplement No. 1
to	to	to
G. F. D. No. 505-A	I. R. C. No. 528	I. C. C. No. 830
Cancels	Cancels	Cancels
G. F. D. No. 505-A	I. R. C. No. 528	I. C. C. No. 830

Indiana Harbor Belt Railroad Company

Supplement No. 1

to

Local Freight Tariff G. F. D. No. 505-A

Cancels

Local Freight Tariff G. F. D. No. 505-A

Covering

Allowances to

Inland Steel Company

at

Indiana Harbor, Indiana

Cancellation Notice

The above numbered tariff is hereby withdrawn and cancelled.

Issued August 1, 1935.

Effective September 3, 1935.

Issued in compliance with order of Interstate Commerce Commission Ex Parte 104, Part II, Terminal Services, Nineteenth Supplemental Report dated July 11, 1935.

Issued by Leroy Blue, General Freight Agent, La Salle Station, La Salle and Van Buren Streets, Chicago, Ill.

(100-Req. T.-614.)

[fols. 154-155]

Supplement No. 2	Supplement No. 2	Supplement No. 2
to	to	to
G. F. D. No. 505-A	I. R. C. No. 528	I. C. C. No. 830

Supplements Nos. (1) 1 and 2 contain all changes from the original tariff that are effective on the date hereof.

(1) Cancellation Supplement.

Indiana Harbor Belt Railroad Company

Supplement No. 2

to

Local Freight Tariff G. F. D. No. 505-A

covering

Allowances to

Inland Steel Company

at

Indiana Harbor, Indiana

Effective September 3, 1935

Suspension Notice

Provisions of Supplement No. 1 to I. C. C. No. 830, I. R. C. No. 528, G. F. D. No. 505-A, are hereby suspended until further notice in compliance with order issued August 28, 1935, by the District Court of the United States for the Northern District of Illinois, Eastern Division, in the case of the Inland Steel Company versus United States of America, Indiana Harbor Belt Railroad Company and Interstate Commerce Commission.

During the period of suspension rates shown in tariff will apply.

Issued by Leroy Blue, General Freight Agent, La Salle Station, La Salle and Van Buren Streets, Chicago, Ill.

(100-Req. T.-616.)

[fols. 156-157] IN UNITED STATES DISTRICT COURT

Equity. No. 14738

[Title omitted]

ORDER DENYING MOTION TO MODIFY DECREE—Filed June 13, 1938

Before Sparks, Circuit Judge, and Wilkerson and Lindley,
District Judges

Motion of plaintiff for oral argument on motion to modify final decree denied. Motion of plaintiff to modify final decree denied.

13 June, 1938.

[fol. 158] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

PETITION FOR APPEAL—Filed June 24, 1938

Inland Steel Company, plaintiff in the above entitled cause, feeling itself aggrieved by the final decree entered in said cause by this Court on the 27th day of April, 1938, and by the order entered the 13th day of June, 1938, denying the motion of plaintiff for modification of said final decree, prays an appeal from said decree and order to the Supreme Court of the United States.

The particulars wherein said plaintiff considers the decree and order erroneous are set forth in the assignment of errors accompanying this petition and to which reference is hereby made.

Said plaintiff prays that a transcript of record, proceedings and papers on which said decree and order were made and entered, duly authenticated, be transmitted forthwith to the Supreme Court of the United States.

Dated June 22, 1938.

Nuel D. Belnap, John S. Burchmore, Solicitors for
Inland Steel Company, Plaintiff.

[fol. 159] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

ASSIGNMENT OF ERRORS—Filed June 24, 1938

Inland Steel Company, plaintiff in the above entitled cause, now comes and files the following assignment of errors in connection with its petition for an appeal from the final decree entered by this Court on the 27th day of April, 1938, in said cause and from the further order entered June 13, 1938, denying the motion of plaintiff to modify said final decree:

The District Court erred:

1. In ordering in its final decree that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendant herein would have been payable to the plaintiff since the date of an order of interlocutory injunction entered by the Court on August 28, 1935, and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carrier on its books of account, subject to the further order of this Court, shall be retained by said carrier as a part of its general funds and said account canceled.

2. In failing and refusing to authorize and direct the carrier defendant herein to pay over to the plaintiff all sums which pursuant to the terms of the published tariffs of the carrier defendant, have become due and owing to the plaintiff since the date of the said interlocutory injunction.

[fols. 160-162] 3. In entering the order of June 13, 1938, denying the motion of plaintiff to modify the final decree (a) by striking therefrom that portion of paragraph 1 of said decree which reads as follows: "and that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendant herein would have been payable to the plaintiff since the date of said interlocutory injunction and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carriers on its books of account, subject to the further order of this Court, shall be retained by said carrier as a part of its general funds and

said account canceled," and (b) by entering its further order directing the defendant, Indiana Harbor Belt Railroad Company, to account for and pay over to plaintiff all sums which have become payable pursuant to the allowance tariff.

4. In that the final decree in substance and result sets aside and nullifies the provisions of a tariff voluntarily published by the defendant carrier and filed with the Interstate Commerce Commission, in accordance with Section 6 of the Interstate Commerce Act.

5. In that the final decree in substance and result makes effective on September 3, 1935, an order of defendant Interstate Commerce Commission, although the effective date of said order was postponed to June 15, 1937, by further order of said Commission.

6. In that the decree, in authorizing and directing the carrier defendant to withhold payments to plaintiff, was not supported by any evidence or by findings of fact or conclusions of law by the Court, required by Equity Rule 70½.

Nuel D. Belnap, John S. Burchmore, Solicitors for Plaintiff.

[fols. 163-169] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

ORDER ALLOWING APPEAL—June 24, 1938

Plaintiff, having filed its petition for appeal herein, same is hereby granted and the plaintiff is hereby allowed to appeal said case, and

It is Ordered, that said appeal be, and the same is hereby, entered to the Supreme Court of the United States upon the filing of a bond by the said plaintiff in the sum of Five Hundred Dollars, with good and sufficient surety to be approved by this Court, conditioned upon said plaintiff prosecuting its appeal to effect, and answering all costs if it fail to make its appeal good.

Dated this 24th day of June, 1938.

James H. Wilkerson, United States District Judge.

[fol. 170] IN UNITED STATES DISTRICT COURT

In Equity. No. 14738

[Title omitted]

PRAECIPE FOR TRANSCRIPT OF RECORD—Filed July 19, 1938

To the Clerk of the Above-Entitled Court:

Please prepare a Transcript of the Record in the above entitled cause in the matter of the appeal therein and include in said Transcript in the order given below the following matter, viz:

1. Plaintiff's petition or bill of complaint with appendices thereto, filed August 5, 1935.

2. Chancery subpoena to defendant Indiana Harbor Belt Railroad Company with return of service thereon, filed August 21, 1935.

3. Intervention and appearance of Interstate Commerce Commission, filed August 23, 1935.

4. Answer of Interstate Commerce Commission, filed August 23, 1935.

5. Answer of United States, filed August 28, 1935.

6. Order of Interlocutory Injunction, entered August 28, 1935.

7. Stipulation re consolidation of cases, filed December 2, 1936.

8. Notice, filed March 1, 1938.

9. Order of the Interstate Commerce Commission, dated February 26, 1937, in Ex Parte No. 104 Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, received in evidence at the final hearing before the Court on April 18, 1938.

10. Findings of fact and conclusions of law entered by the Court April 27, 1938.

[fols. 171-174] 11. Final Decree, entered April 27, 1938.

12. Notice of Motion, filed May 25, 1938.

13. Plaintiff's motion to modify final decree, with appendices thereto, filed May 25, 1938.

14. Memorandum order entered by the Court, June 13, 1938, denying motion of plaintiff for oral argument on motion to modify final decree and denying plaintiff's motion to modify final decree.

15. Plaintiff's petition for appeal.

16. Plaintiff's assignment of errors.

17. Plaintiff's statement as to jurisdiction on appeal.
18. Order allowing appeal.
19. Notice of Appeal.
20. Notice pursuant to paragraph 2 of Rule 12.
21. Notice to Attorney General of Illinois.
22. Original citation on appeal.
23. All acknowledgments and admissions of service.
24. This praecipe for transcript of record.
25. Clerk's certificate.

Dated July 19, 1938.

Nuel D. Belnap, John S. Burchmore, Solicitors for
Inland Steel Company.

Appellees, by their counsel, consent to the preparation and transmittal of the record in accordance with the foregoing praecipe and waive their right to file a counter-praecipe.

Elmer B. Collins, for the Attorney General; Edward M. Reidy, for Interstate Commerce Commission, by E. C. Hurley, Assistant United States Attorney.

[fols. 175-177] Clerk's certificate to foregoing transcript omitted in printing.

[fols. 178-180] [Caption omitted]

[fol. 181] IN UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

In Equity. No. 15335

CHICAGO BY-PRODUCT COKE COMPANY

vs.

UNITED STATES OF AMERICA, INTERSTATE COMMERCE COMMISSION, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, Illinois Central Railroad Company

PETITION—Filed September 2, 1936

To the Honorable the Judges of the District Court of the United States for the Northern District of Illinois, Eastern Division:

Your petitioner, Chicago By-Product Coke Company, a corporation, presents this its petition against United States

of America, Interstate Commerce Commission, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad and Illinois Central Railroad Company; and thereupon plaintiff respectfully states:

[fol. 182]

I

Plaintiff is a corporation duly organized and existing under the laws of the State of Delaware with principal office and principal operating office and plant at Chicago, in the State of Illinois and the Northern District of Illinois, Eastern Division, where it is now and continuously since October, 1921, has been engaged in the manufacture of gas, coke, sulphate of ammonia and tar; and in the conduct of said business it receives large quantities of coal and other materials, and ships large quantities of coke and by-products from said plant.

II

Defendant Interstate Commerce Commission is a commission created and functioning under an Act of Congress known as the Interstate Commerce Act. (49 U. S. C. A. chapter 1.) Defendant, The Belt Railway Company of Chicago is a corporation under the laws of Illinois with principal operating office at Chicago, Illinois. Defendant, Chicago & Illinois Western Railroad, is a corporation under the laws of Illinois, with principal operating office at Chicago, Illinois. Defendant, Illinois Central Railroad Company, is a corporation under the laws of Illinois with principal operating office at Chicago, Illinois. Each of said last named defendants is a common carrier of property by railroad, transported between Chicago, Illinois, and points in other states, and as such common carrier is subject to the Interstate Commerce Act, and owns and operates lines of railroad within said State of Illinois. Each of said defendants transports interstate freight for delivery to plaintiff's plant at Chicago, Illinois, and in like manner transports freight from said plant moving to destinations in other states.

[fol. 183] Insofar as said Illinois Central Railroad Company participates in said traffic it does so over the line of the said Chicago & Illinois Western Railroad which acts as a switching carrier for the Illinois Central Railroad Company.

III

Plaintiff brings this suit in equity against the United States of America pursuant to an Act of Congress approved October 22, 1913, 38 statutes at large 219 (28 U. S. C. A. Sec. 41, subsections 45, 46, 47), and under the general equity jurisdiction of this Court, to enjoin, set aside and annul a certain report and order entered by the Interstate Commerce Commission on May 28, 1936, in a proceeding known as Ex Parte 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, said report and order being subtitled Fifty-sixth Supplemental Report of the Commission, Chicago, By-Product Coke Company Terminal Allowances; and to enjoin and restrain the respondent carriers from complying with the aforesaid order of the Commission entered May 28, 1936.

IV

The said Commission, on its own motion, entered an order under date of July 6, 1931, without any complaint having been made to or petition filed with said Commission, according to plaintiff's information and belief, which said order was in words and figures as follows:

[fol. 184]

"Order

At a General Session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 6th day of July, A. D. 1931

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Sections 12 and 15 (a) of the interstate commerce act being under consideration, and the commission desiring to know whether certain practices of carriers by railroad subject to the act will affect operating revenues or expenses are lawful and consistent with economical and efficient management, and to have full and complete information necessary to perform its duties; all with a view to making such order or orders or findings of fact as may be appropriate under the interstate commerce act:

It is ordered, That the commission on its own motion and without formal pleading, enter upon a proceeding of inquiry and investigation into and concerning practices of carriers by railroad subject to the interstate commerce act which affect operating revenues or expenses;

It is further ordered, That copies of this order be served upon all common carriers by railroad subject to the interstate commerce act; and that such carriers be made respondents to this proceeding;

And it is further ordered, That this proceeding be assigned for hearing at such times and places and with respect to such practices as the commission may hereafter direct.

By the Commission.

George B. McGinty, Secretary. (Seal.)"

Plaintiff presumes that aforesaid order was served upon all common carriers by railroad subject to the Act, and therefore avers that said order was served upon each of the carriers respondents thereto, including The Belt Rail- [fol. 185] way Company of Chicago, Chicago & Illinois Western Railroad and Illinois Central Railroad Company.

Subsequently, the Commission issued its notice under date of August 13, 1931, entitled: "Ex Parte No. 104, Part II, Terminal Services of Class I Carriers. Notice of Information to be sought at hearings." In said notice, the Commission ostensibly defined "in scope and restriction" said Part II of the aforesaid general inquiry as intended to establish facts concerning various services, charges and practices of carriers subject to the Act, including, among others, terminal services and practices in the receipt and delivery of carload freight, including the spotting of cars, and all services and privileges, except transit and lighterage, incident to said terminal services within the meaning of Section 6 of the Interstate Commerce Act, which affect the measure of the transportation service performed at the line-haul rates and the value of such services to the consignors and consignees; the extent to which the line-haul rates include charges for such services; allowances and absorptions made out of the line-haul rates; and the extent to which such services reach beyond the carriers' terminals to particular locations on private tracks, sidings, industrial plant tracks, and on the rails of industrial common carriers.

The Commission conducted extended hearings in said proceeding at numerous places, at various times from September 15, 1931, to November 21, 1932; thereafter a "proposed report" was prepared by the Commission's Director of Service, W. P. Bartel, before whom the hearings had been held; exceptions were filed by numerous parties; and oral argument before the Commission was had. Thereafter the Commission issued its report, dated May 14, 1935, [fol. 186] without order (which report reported in 209 L. C. C. 11, has subsequently been described by the Commission as its original report, and is hereinafter so referred to), in which it reviewed the subject matter of the inquiry generally and set forth its legal conclusions.

A copy of said original report of the Commission is attached hereto, marked Appendix A, and is made a part hereof as fully as though set forth at length herein.

On said 14th day of May, 1935, and thereafter on various dates, the Commission issued various so-called supplemental reports in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services. Among other such supplemental reports, the Commission entered on May 28, 1936, its Fifty-sixth Supplemental Report entitled Chicago By-Product Coke Company Terminal Allowances.

A true copy of said Fifty-sixth Supplemental Report, together with the order attached thereto and entered on the same date, is attached to this petition, marked Appendix B, and is made a part hereof as fully as though set forth at length herein. This is the order and report herein sought to be set aside and enjoined.

On or about June 26, 1936, plaintiff filed with the Commission its motion for postponement of the effective date of said order of May 28, 1936; and in response thereto the Commission entered its further order dated June 30, 1936, providing that the effective date of aforesaid order of May 28, 1936, by its terms made effective July 17, 1936, should be and it was thereby postponed to October 15, 1936, the said order in all other respects to remain in full force and effect.

[fol. 187]

V

The uniform custom and practice of all common carriers, in the State of Illinois, and in other states throughout the Union, including the carriers named as defendants in this

bill, is to state in their rate tariffs published and filed with the Commission the city, town or other station locality to and from which they undertake to transport freight at the rates and charges in such tariffs stated, without stating the precise spot in such city, town or station locality at which they undertake to receive or deliver such freight. Under such tariffs it is and for many years has been the uniform custom and practice to include within the carload freight rates established and maintained for the transportation of carload freight the complete service comprehended in (a) the providing and furnishing of a suitable car for transportation and the placement of the car at any point reasonably accessible and convenient for loading on standard gauge tracks serving any and all industrial plants; and after the freight has been loaded in said cars by consignor, to remove the same and transport the goods therein to destination; and (b) to deliver the carload freight by placing the car, wherein such freight is transported, at any point reasonably convenient for the unloading and removal of the freight from the car on the standard gauge tracks serving any and all industrial plants and to remove the empty car therefrom after the freight has been received and unloaded by the consignee. It is customary for railroads for various reasons sometimes to employ other railroad companies to complete their undertaking to spot the cars as aforesaid, and to pay such other railroads for such service, and sometimes to employ the shipper or receiver of freight to complete said undertaking to spot the cars as aforesaid [fol. 188] and in such cases to compensate by payments termed allowances to such shippers and receivers of freight for such service. Defendant carriers have followed generally such custom in serving shippers and receivers of freight over their respective lines of road.

Pursuant to such custom, defendants, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad and Illinois Central Railroad Company, at all times have provided in their respective tariffs that, for the compensation afforded by their established rates for transportation between designated cities, towns or other station localities, each would deliver and receive carload freight by the placement of the cars at any reasonable and convenient point for the loading or unloading thereof on the tracks serving the said plant of plaintiff at Chicago, Illinois, the same as

at all plants, industries and business establishments adjacent to their railroads and served by so-called private or industrial sidings.

The duly filed and published tariffs of defendants, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad and Illinois Central Railroad Company and all other carriers in the State of Illinois, and in other states of the United States, as in effect now and for more than twenty years past, name rates for transportation covering the complete services described in this paragraph, with respect to carload freight moving to and from any and all railroad terminals and industries, plants, warehouses or other business establishments; and the same rates have been applicable and have been applied by all of said carriers, whether carload shipments of freight originated on so-called public team tracks or on so-called private side tracks serving the plants, industries and other business [fol. 189] establishments and whether such shipments were delivered on so-called public team tracks or on so-called private side tracks as aforesaid.

VI

The record in the aforesaid investigation by the Commission in Ex Parte 104, Part II, contains abundant testimony by numerous witnesses supporting the averments in paragraph V hereof; and there is no evidence in said record to the contrary.

There is no evidence in said record that the carriers in serving any industry, plant, warehouse or other business establishment have sought to limit their duty or terminate their obligation under the line-haul rates by placement of cars at any point short of or intermediate to the place mutually agreed upon with the shipper or consignee as reasonable and convenient for the loading or unloading of carload freight, where it was possible for the railroad locomotives to operate safely and without excessive delay.

VII

Plaintiff, Chicago By-Product Coke Company, for several years past has rendered the transportation service and furnished the instrumentalities employed in moving carloads of freight between the rails of the railroad defendants, The Belt Railway Company of Chicago and Illinois Western

Railroad, adjacent to plaintiff's plant and between the rails of the defendant, Illinois Central Railroad Company, which does not reach plaintiff's plant directly but which serves said plant over the rails of the defendant, Chicago & Illinois Western Railroad, which acts as a switching carrier for said Illinois Central Railroad Company, as aforesaid, and [fol. 190] convenient points of loading or unloading in said plant; an application for compensation in the form of allowance for such service was submitted by plaintiff to said defendants in the year 1921 and thereafter said defendants by tariff duly established an allowance in the amount of the actual cost of service, performed, subject to a maximum of \$1.85 per loaded car, effective October 10, 1922.

Prior to such time the plaintiff had received an allowance of \$1.00 per car from the defendants, The Belt Railway Company of Chicago and Chicago & Illinois Western Railroad, in accordance with the terms of a temporary agreement between plaintiff and said defendants.

The aforesaid allowance is sometimes less and never more than the full cost to plaintiff of performing the placement services which are included in the established rates and which the allowance is designed to cover; and said allowance is less than it would cost either of the said railroad companies to perform the service with its owned engines and regularly employed crews. These facts are established by uncontradicted evidence before the Commission in the record of said Ex Parte 104, Part II.

VIII

At all times since October 10, 1922, the duly filed and published tariffs of the aforesaid defendant railroad companies have been in force, providing payment of allowance by said defendants to plaintiff for the latter's transportation service of moving and placing cars at loading and unloading points in its plant.

The said tariff of The Belt Railway Company of Chicago currently effective provides as follows:

[fol. 191] The Belt Railway Company of Chicago _____
Local Freight Tariff No. 136 Covering Allowances to Chicago By-Products Coke Company at Hawthorne, Illinois

On all carload revenue shipments destined to or coming from the plant of the Chicago By-Products Coke Com-

pany, the terminal switching is performed by the Chicago By-Products Coke Company for the account of The Belt Railway Company of Chicago.

The Chicago By-Products Coke Company will be allowed for such services, out of the current Chicago, Illinois rates, the actual cost of service performed, as specified in monthly bills submitted to this company, on all cars handled between point of interchange with this company and the first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car.

The above allowance includes the handling of the empty cars in the reverse direction or empty cars handled preparatory to loading.

Issued September 5, 1922. Effective October 10, 1922.

The tariffs of the defendants, Chicago & Illinois Western Railroad and Illinois Central Railroad Company, contain similar provisions.

[fol. 192]

IX

Defendants, The Belt Railway Company of Chicago and Chicago & Illinois Western Railroad, have filed with the Interstate Commerce Commission their tariffs to become effective July 17, 1936, providing for withdrawal and cancellation of the aforesaid allowance to plaintiff and stating that such cancelling tariffs are issued under authority of the aforesaid Fifty-sixth Supplemental Report of May 28, 1936.

A postponement notice was issued by such defendants however, effective July 17, 1936, postponing the effective date of such cancellation notices to October 15, 1936.

Plaintiff is informed and believes that the defendant, Illinois Central Railroad Company, will likewise file a tariff cancelling its aforesaid allowance effective October 15, 1936, in compliance with the aforesaid order of the Commission and plaintiff upon information and belief alleges that the said defendants, The Belt Railway Company of Chicago and Chicago & Illinois Western Railroad, would not have filed such cancelling tariffs, as aforesaid, and that the said defendant, Illinois Central Railroad, would not contemplate filing such cancelling tariff were it not for the fear of incurring penalties for failure to do so.

X

The aforesaid order of the Commission instituting its investigation Ex Parte 104 on its own motion and without formal pleading, as set forth in paragraph IV of this petition, was not based upon any complaint or application of any sort submitted to the Commission by any person, either carrier or shipper, that the practice above described as in force at plaintiff's plant was unreasonable, discriminatory, [fol. 193] or in any way a violation of law, so far as known to plaintiff.

In the branch of said proceeding designated Part II, Terminal Services of Class I carriers, in which the testimony relative to plaintiff's plant was taken at Chicago, Illinois, during the hearing, September 27, 1932, no party, either carrier or shipper, presented any testimony purporting to show that said practice at plaintiff's plant was unreasonable or discriminatory or otherwise in violation of law in any respect. Plaintiff's representative appeared at said hearing in response to a request addressed to plaintiff by the Secretary of the Commission, and said representative in response to the call of the presiding Director of Service of the Commission, became a witness and presented testimony describing said practice. No other testimony as to said practice at plaintiff's plant was presented except on behalf of defendants, The Belt Railway Company of Chicago and Illinois Central Railroad Company, and said defendant railroad companies presented their testimony in support of the existing practice and tariffs.

XI

The said report and order of May 28, 1936, as above set forth, is unlawful and void in the following respects:

1. The Commission was without authority to make the said order.
2. The Commission failed to make requisite findings sufficient to support its order.
3. The Commission's said report and order are arbitrary and in violation of previous rulings as to the duty of a common carrier by railroad to perform the service of placement of empty cars for load at, and removal of loaded cars from, [fol. 194] point of loading, and placement of loaded car at,

and removal of empty car from, point of unloading, within the plant of the plaintiff.

4. There was no evidence upon which the Commission could find—

(a) That the defendants have complied with their obligation to plaintiff under their rates for interstate transportation to deliver and receive carload freight when they place the cars containing said freight on the so-called interchange tracks described of record or remove the cars therefrom;

(b) That the transportation services which it is the duty of the carriers to perform for plaintiff begin and end at said interchange tracks;

(c) That the service of moving cars beyond the so-called interchange tracks are industrial services which it is not the duty of the carriers to perform;

(d) That by the payment of an allowance to plaintiff for service performed by it in moving cars containing interstate shipments beyond said interchange tracks, defendants provide the means by which plaintiff enjoys a preferential service not accorded to shippers generally;

(e) That to refund or remit a portion of the rates and charges collected or received as compensation for the transportation of property, as set forth in said supplemental report is in violation of paragraph (7) of Section 6 of the Act.

5. The evidence on which the order is based shows conclusively that the terminal allowance paid by each of the defendant railroad companies to plaintiff is for a transportation service embraced within the service for which the defendant railroad companies publish, charge and receive the rates named in their tariffs of freight charges filed with the [fol. 195] Interstate Commerce Commission; that the said terminal allowance is no more than just and reasonable and, being published in the tariffs of each of the defendant railroad companies is just as binding upon each defendant railroad company as is any rate named in its tariffs to be collected for the transportation of property by it in interstate commerce; and when the extent of the service of the carrier in the receipt and delivery of freight to be performed for the line haul rate is made clear by the published tariffs of

the carrier and by the course of business followed by the carrier as recited above, and when it is stated in a tariff of the carrier that an allowance is made to the shipper or receiver of the freight for the performance of a part of said service, and the amount of such allowance is stated, such tariff being duly published and established and in force, such service and such allowance can not be in violation of Section 6 of the Interstate Commerce Act.

6. In view of paragraph (13) of Section 15 of the Interstate Commerce Act, the Commission has no power to prohibit any defendant railroad company from employing plaintiff to furnish services or from using plaintiff's facilities in the transportation of plaintiff's property. The Commission has power only to determine whether the amount of the allowance paid by defendant railroad companies to plaintiff for services and facilities is more than is just and reasonable for such services rendered and facilities furnished, and to fix a limit which shall not be exceeded in the payment therefor.

The Commission in its said order of May 28, 1936, forbidding any and all allowance to plaintiff for services rendered and facilities furnished, exceeded its authority and acted arbitrarily; therefore, the said order is void and of no effect.

[fol. 196] 7. The evidence wholly fails to show any violation of law by the plaintiff or by either of the defendant railroad companies in connection with the terminal allowance at plaintiff's plant as above described.

8. The report and order were not entered after full hearing and due investigation; and plaintiff was not accorded due notice and full hearing as required by the statute.

XII

Plaintiff has handled and will continue to handle for each of the defendant railroad companies loaded cars on which the terminal allowance payable as compensation for said handling is paid pursuant to the tariff of defendant carriers providing for such payment, and said service cannot be paid for or compensated except as authorized and provided by duly filed and published tariff. Unless the order of the Commission be set aside and the defendants be required to withdraw their canceling tariffs, plaintiff will be compelled

to perform said service of transportation for the benefit of said railroad companies but at its own cost and expense, without the possibility of payment being made by the defendant railroad companies in the absence of tariff authority, thereby subjecting plaintiff to irreparable loss and injury.

In consideration whereof and inasmuch as plaintiff has no adequate remedy at law, and may have relief only in a Court of Equity, plaintiff prays that this petition be received and filed; that writs of subpoena be issued by the Clerk of the Court, as provided by law, commanding the United States of America, Interstate Commerce Commission, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad and Illinois Central Railroad Company to appear [fol. 197] and defend this action; that notice hereof be given to the Attorney General of the United States and to the Interstate Commerce Commission; that upon the filing of this bill the Judge of this Court call to his assistance two other Judges, one of whom shall be a Circuit Judge, and that upon five days' notice of the time and place of hearing having been given to the Attorney General of the United States and to the Interstate Commerce Commission and to said defendant carriers, the plaintiff be granted an interlocutory injunction restraining the United States of America and the Interstate Commerce Commission from enforcing the terms of said order which, as extended, requires defendant carriers to cease and desist on or before October 15, 1936, and thereafter to abstain from the practice in said order described; and that upon final hearing of this case, a decree be entered adjudging the said order to be in all respects null and void and permanently enjoining, annulling and setting aside the enforcement, operation and execution of said order.

And plaintiff further prays that a preliminary or interlocutory order or injunction be entered, requiring the railroad defendants to cancel the tariffs herein referred to, which were filed in alleged conformity with the said order of the Commission, and suspending the cancellation of the terminal allowance now being paid plaintiff, until final determination of this cause, and that upon the final hearing herein, a decree be entered perpetually enjoining, suspending, annulling and setting aside the said tariffs and requir-

ing the said carriers to file new tariffs restoring the terminal allowances in effect on May 27, 1936, on interstate traffic handled by the plaintiff at its said plant at Chicago, Illinois, unless and until changed by agreement of the parties or by a lawful decision of the Interstate Commerce Commission.

[fol. 198] Plaintiff further prays, inasmuch as the purpose of the foregoing prayers for relief is to set aside the order of the Commission of May 28, 1936, and to restore the status quo of May 27, 1936, for such other and further orders or decrees as may be necessary to set aside said order of the Interstate Commerce Commission and to require the railroad defendants to vacate, annul and set aside any and all action which may have been taken under and by reason of said order of the Commission, and to take such action as may be necessary to restore the parties and properties affected by said order to the status of May 27, 1936, and for such further and other relief in the premises as the nature of the case shall require, and to this court shall seem meet.

Nuel D. Belnap, Herman F. Mueller, John S. Burchmore, Solicitors for Plaintiff. Walter, Burchmore & Belnap, 1522 First National Bank Bldg., Chicago, Ill.

[fols. 199-268] *Duly sworn to by T. G. Janney. Jurat omitted in printing.*

[fol. 269] APPENDIX "B" TO PETITION

INTERSTATE COMMERCE COMMISSION

Chicago By-Products Coke Company Terminal Allowances

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II, Terminal Services

Submitted October 17, 1934. Decided May 28, 1936

Carriers' obligations under their line-haul rates found not to extend beyond the present points of interchange,

and payment of allowances to the industry for services beyond such points found unlawful.

Same appearance as in the original report.

Fifty-Sixth Supplemental Report of the Commission Division 3, Commissioners McManamy, Lee, and Miller

By Division 3:

In the original report in this proceeding, Propriety of Operating Practices—Terminal Services, 209 I. C. C. 11, certain principles were announced concerning the payment of allowances to industries for performing spotting service at their industrial plants, or the performance of such service [fol. 270] in lieu of payment. This supplemental report deals with the propriety and lawfulness of allowances paid by respondent carriers to the Chicago By-Product Coke Company, hereinafter called the industry, for spotting service performed by the latter within its plant at Chicago, Ill.

This industry produces gas, coke, and coke by-products such as sulphate of ammonia and tar. Its extensive plant covers an area approximately 2,200 feet wide and 3,200 feet long. It contains numerous buildings including a machine shop, boiler house, generator house, a by-products building, three coke oven batteries and the facilities necessary for storing and handling large quantities of coal and coke. These buildings and facilities are served by a network of about 35 tracks extending throughout the plant and having a capacity of about 800 cars. The plant tracks connect with those of The Belt Railway Company of Chicago and the Chicago & Illinois Western Railroad, hereinafter referred to as respondents, or the B. Ry. of C. and the C. & I. W., respectively. Approximately 30,000 cars are handled at the industry annually, divided about 60 per cent inbound and 40 per cent outbound. The principal inbound commodity is coal, and the outbound shipments consist largely of coke. There are 2 principal loading points for coke, 2 for tar and 1 for ammonia sulphate; and 2 unloading points for coal, 2 for oil, 2 for coke, and 1 each for acid, lime, oxide, and miscellaneous stores. Both inbound and outbound shipments are delivered to and received by respondents on seven parallel interchange tracks which extend along the west side of, and mostly within the indus-

trial property. The main line of the B. Ry. of C. parallels the west side of the plant and connects with the latter at the southern end of the interchange tracks. The line of the C. & I. W. parallels the north side of the plant at some distance therefrom, and connects with the north end of the interchange tracks. Cars routed over the B. Ry. of C. and the C. & I. W. are hauled by the former directly past its connection with the interchange tracks to its connection with the C. & I. W. The latter line delivers such cars to the plant at approximately the same point where delivery is made directly by the B. Ry. of C. On traffic routed over the B. Ry. of C. movement over the C. & I. W. is entirely unnecessary from an operating standpoint.

On coal traffic received by the B. Ry. of C. from its connection and delivered direct to the industry, that respondent receives a division of the through rate of 1.5 cents per 100 pounds, minimum 60,000 pounds, or \$9 per car. On such traffic interchanged by the B. Ry. of C. with the C. & I. W. the B. Ry. of C. receives \$5.40 per car, although a longer haul by the latter is involved than if it made direct delivery to the plant. On such hauls the C. & I. W. receives 16 cents per ton, minimum 60,000 pounds. The C. & I. W. is owned in equal shares by the Illinois Central Railroad Company, hereinafter called the I. C., the Commonwealth Edison Company, and the Peoples Gas Light and Coke Company, which is closely affiliated with the Chicago By-Products Coke Company.

The industry, with its own power moves the cars between the interchange tracks and loading and unloading points located on tracks within the plant. Approximately 60 per cent of the total engine-hour time is devoted to interchange switching and 40 per cent to intraplant switching. The plant operates 24 hours a day and as many locomotives are kept in service as the industrial needs require. A witness for the industry confirmed statements previously made by him and other plant officials to our service agents, that, in their opinion, it would be impossible to operate the plant in an [fol. 272] efficient manner with the switching performed by railroad crews and locomotives; that the plant operations are carried on in such a way that the plant locomotives, being under plant supervision, can perform the spotting service more efficiently and at less expense than the railroads could perform it, and that, knowing the plant and the operations required, it would be possible for the crew of the plant

locomotives to perform the spotting with less interference than if a carrier crew should perform it.

The industry receives an allowance of actual cost of the spotting service subject to a maximum of \$1.85 per loaded car. This allowance was established by tariff publication effective October 10, 1922. It appears that a cost study by the B. Ry. of C. was not made until several months after the allowance was established. This cost study showed a cost of 56 cents per car, but the witness for the B. Ry. of C. was not prepared to say whether that amount would reasonably represent the cost, as he did not know what elements were taken into consideration. Prior to the establishment of the present allowance an allowance of \$1 per car was paid by the B. Ry. of C. under an operating agreement. The allowance of \$1.85 was published without regard to the cost study and was made to conform in amount with the prevailing allowances which had recently been established at other industries in the Chicago district. An allowance similar in amount is received by the industry on traffic handled over the C. & I. W. which is operated by the I. C. The record is not entirely clear which of these carriers actually makes the payment. Each of them provides by tariff for the allowance. A witness for the I. C. testified that the allowance was made by the C. & I. W., but an exhibit introduced by the same witness contains an extract from the I. C. tariff showing that the allowance is made by the I. C., [fol. 273] and returns to our questionnaire show that the I. C. paid \$191,007.62 for the period from 1927 to 1931, inclusive. During the same period the B. Ry. of C. paid \$85,538.25 in allowances to the industry.

A witness for the industry testified that it would be possible to operate the plant efficiently with the entire switching service performed by the railroad crews and locomotives, although it had never been performed by them; and that the industry would have no objection to the carriers' performing the service if it could be assured of the same adequate service which it now obtains by operation of its own locomotives. A map of the plant, an exhibit of record, clearly discloses the difficulty which would be encountered by the respondents should they be called upon to perform the spotting beyond the yard where interchange is now made. The loading and unloading points are in the interior of the plant. An unloading point for oil and two for oxide, and a loading point for tar are reached by a track which ex-

tends from the northern end of the interchange tracks along the northern boundary of the plant property. Those points apparently could be conveniently reached by the C. & I. W. locomotives, but could not be reached by the B. Ry. of C., except by traversing the entire length of the interchange yard from the point of its connection, a distance of approximately 3,000 feet, then in a reverse direction eastward for distances ranging from 1,000 to 3,000 feet. Loading and unloading points for acid, lime, oil and sulphate, and an unloading point at the storage building are located about the center of the plant. Apparently these could be reached directly from the B. Ry. of C. connection by the movement of that carrier's locomotives over plant tracks for distances ranging from 1,800 to 3,000 feet. To reach those points in the most direct manner from the C. & I. W. connection [fol. 274] would involve movement over plant tracks near the northern boundary of the plant property for a distance of slightly more than 3,000 feet, and a movement in the reverse direction for distances ranging from 800 to 1,700 feet. Practically all of the other loading and unloading points within the plant could be reached only by movements similar to those above described. All outbound shipments are weighed for billing purposes on a track scale located on one of the tracks in the interchange yard. In all cases one or more reverse switching movements are necessary in reaching the scale.

Much of the coal is unloaded at a track hopper in the southern part of the industrial property, approximately 5,000 feet from the C. & I. W. connection, and could be reached from that point only by traversing practically the entire length of the interchange yard and then proceeding eastward over a plant track. The spotting of cars at the track hopper is done by an electric car puller which can handle only one car at a time. The operations necessary in serving the car puller at this plant are not fully described of record. However, the industry produces a large amount of gas and must be prepared at all times to meet the demands of the public. It is clear that a locomotive must be available to move cars between the interchange yards and the track hopper at such times and in such numbers as the industrial needs require. Such service is a part of the industrial processes and unrelated to transportation which carriers are obligated to render under their line-haul rates. Clearly a line must be drawn at some

point where transportation ends and industrial processes begin, and just as clearly that point in this case is the interchange yard. *Kansas City Power & Light Co. Terminal Allowance*, 210 I. C. C. 103, 106. For a carrier to perform an industrial service without proper compensation [fol. 275] is a mere gratuity and unlawful. *Minnesota By-Products Coke Co. Terminal Allowance*, 209 I. C. C. 421. Injunction denied, *Koppers Gas & Coke Co. v. United States*, 11 F. Supp. 467.

The track layout is shown to be unusually complex as compared with ordinary team tracks or industrial tracks upon which carriers ordinarily perform switching. One of the tracks leading to loading and unloading points in the central part of the plant contains a 23-degree curve, which accommodates only locomotives of small type or special design. The record is conclusive that the amount of spotting service required by this industry and the manner in which it must be performed, is in excess of that which carriers are obligated to render under their line-haul rates. An allowance paid for such industrial service works undue and unreasonable preference and advantage to the favored industry, and works undue and unreasonable prejudice and disadvantage to shippers in the same business who are not the beneficiaries of such allowance. *Propriety of Operating Practices—Terminal Services*, 209 I. C. C. 11, 37.

We find that the existing line-haul rates of the respondent carriers must be construed to cover the delivery and receipt of shipments at a reasonably convenient point; that the interchange tracks described of record constitute such a reasonable point; that the transportation service which it is the duty of the respondents to perform begins and ends at the interchange tracks; and that the movements beyond those interchange tracks are industrial services which it is not the duty of respondents to perform under the line-haul rates.

We further find that by the payment of allowances for the service performed on interstate shipments beyond the [fol. 276] interchange tracks described of record, the respondent carriers provide the means by which the industry enjoys a preferential service not accorded to shippers generally, and refund or remit a portion of the rates or charges

collected or received as compensation for the transportation of property, in violation of section 6(7) of the act.

An appropriate order will be entered.

Order

At a Session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 28th day of May, A. D. 1936

Chicago By-Products Coke Company Terminal Allowances

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II. Terminal Services

Upon further consideration of the record in this proceeding, concerning the lawfulness and propriety of the allowances paid by The Belt Railway Company of Chicago, the Chicago & Illinois Western Railroad and the Illinois Central Railroad Company to the Chicago By-Products Coke Company, for performance by the latter of spotting service within its plant at Chicago, Ill., and the Commission having under date of May 14, 1935, made and filed a report in Propriety of Operating Practices—Terminal Services, 209 I. C. C. 11, containing its legal conclusions with respect to the general situation presented, and the division having on the date hereof made and filed a supplemental report containing its findings of fact and conclusions with respect to [fols. 277-278] the allowances paid to the Chicago By-Products Coke Company, which reports are hereby referred to and made a part hereof, and the division having found in said supplemental report that the payment of said allowances by the above-named respondents violates the Interstate Commerce Act as set forth in the above-mentioned reports:

It is ordered, That the Belt Railway Company of Chicago, the Chicago & Illinois Western Railroad, and the Illinois Central Railroad Company be, and they are hereby, notified and required to cease and desist on or before July 17, 1936, and thereafter to abstain from such unlawful practice.

By the Commission, division 3.

George B. McGinty, Secretary. (Seal.)

[fol. 279] IN UNITED STATES DISTRICT COURT

SUBPOENA—Filed September 16, 1936

The President of the United States of America to The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, Illinois Central Railroad Company, Greeting:

We Command You and Every of You, That you be and appear before our Judges of our District Court of the United States of America, for the Northern District of Illinois, at Chicago, in the Eastern Division of said District, on or before the twentieth day after service of this writ, exclusive of the day of service, to answer or otherwise defend against a certain bill in equity this day filed by Chicago By-Product Coke Company in the Clerk's office of said Court, in the City of Chicago, then and there to receive and abide by such judgment and decree as shall then or thereafter be made, upon pain of judgment being pronounced against you by default.

To the Marshal of the Northern District of Illinois to Execute.

Witness the Honorable Charles E. Woodward, Judge of the District Court of the United States of America, for the Northern District of Illinois, at Chicago aforesaid, this 2nd day of September, in the year of our Lord One Thousand Nine Hundred and Thirty-six and of our Independence the 161st year.

Henry W. Freeman, Clerk. (Seal.)

Memorandum

The defendants are required to file their answer or other defense in the Clerk's office on or before the twentieth day after service hereof upon them, excluding the day of service; otherwise the said bill may be taken pro confesso.

Henry W. Freeman, Clerk.

[fols. 280-281] Served this writ on the within named The Belt Railway Company of Chgo. a corporation, by delivering a copy thereof to J. R. Barse Vice Pres. An agent of said corporation this 4 day of Sept. 1936.

The President of said Corporation not found in my district.

Served this writ on the within named Chicago & Illinois Western Railroad a corporation by delivering a copy

thereof to E. C. Craig, Gen. Counsel and agent of said corporation this 9 day of Sept. 1936.

The president of said Corporation not found in my district.

Served this writ on the within named Illinois Central Railroad Company a corporation, by delivering a copy thereof to E. C. Craig Gen. Counsel and agent of said corporation this 9 day of Sept. 1936.

The president of said Corporation not found in my district.

Wm. H. McDonnell, U. S. Marshal, by E. Glaser,
Deputy.

Marshal's fees:

3 Services.....	\$6.00
2 Miles.....	.12
	<hr/>
	\$6.12

[File endorsement omitted.]

[fol. 282] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

ANSWER OF INTERSTATE COMMERCE COMMISSION—Filed
September 16, 1936

The Interstate Commerce Commission, one of the defendants in the above-entitled suit, now and at all times hereafter saving and reserving to itself all and all manner of benefit and advantage of exception to the many errors and insufficiencies in the plaintiff's petition contained, for answer thereunto or unto so much or such parts thereof as it is advised that it is material for it to answer, answers and says:

I

Answering paragraphs I and II of the petition, the Commission, for the purposes of this suit, admits that the allegations therein contained are true.

II

Answering paragraphs III to XII, inclusive, of the petition, the Commission admits and alleges that it made the

original report dated May 14, 1935, and the Fifty-sixth Supplemental Report and order, dated May 28, 1936, referred to in paragraph IV of the petition, copies of which, respectively, are attached to the petition as Appendix A and Appendix B, in a proceeding then pending before the Commission and entitled Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, which proceeding was instituted by the Commission on its own motion, for the purposes, among others, of determining whether certain practices of what are referred to in said original report as Class I carriers, relating to the terminal services and affecting the operating revenues and expenses of said carriers, were in violation of the Interstate Commerce Act; and the Commission respectfully refers the Court to the text of said reports and order for more full and complete information in the premises.

The Commission further alleges that in said proceeding the parties thereto, including the plaintiff herein, were, and that each of them was, accorded the full hearing provided for in and by the Interstate Commerce Act; that in said hearing a large volume of testimony and other evidence bearing upon the matters covered in and by said appendixes was submitted to the Commission for consideration, including testimony and other evidence submitted on behalf of plaintiff herein, by the counsel of said parties; that at said hearing and subsequently, both orally and in briefs filed in said proceeding, questions relating to said matters were fully argued and submitted to the Commission for determination on behalf of said parties by their respective counsel, including many of the particular questions raised by plaintiff in this suit, whereupon the Commission determined said matters and entered and duly served upon the plaintiff herein, and upon other interested parties, its said reports and order; that said reports and order included the Commission's findings of fact, decision, conclusions, orders and requirements in the premises, and that, upon the evidence aforesaid, and as shown in and by said reports, the Commission made the findings and stated the conclusions upon which said reports and order are based.

[fol. 284] The Commission further alleges that the findings and conclusions in said reports were and are, and that each of them was and is, fully supported and justified by the evidence submitted in said proceeding as aforesaid.

The Commission further alleges that in making said reports it considered and weighed carefully, in the light of its own knowledge and experience, each fact, circumstance, and condition called to its attention on behalf of the parties to said proceeding by their respective counsel, including matters covered by the allegations of the petition herein.

The Commission further alleges that said order of May 28, 1936, was not made or entered either arbitrarily or unjustly, or contrary to the relevant evidence, or without evidence to support it; that in making said order the Commission did not exceed the authority which had been duly conferred upon it, and the Commission denies each of and all the allegations to the contrary contained in said petition.

Further and more particularly answering paragraph XI of the petition, the Commission denies each of and all the allegations therein contained.

The Commission especially denies that plaintiff will be subjected to either irreparable loss or irreparable injury, as alleged in paragraph XII of the petition, unless said order of May 28, 1936, is set aside by the Court.

Except as herein expressly admitted, the Commission denies the truth of each of and all the allegations contained in the petition, in so far as they conflict either with the allegations herein, or with either the statements or conclusions of fact included in said original report of May 14, 1935, and in said Fifty-sixth Supplemental Report and order of May 28, 1936, which reports and order are hereby referred to and made a part hereof.

[fol. 285] All of which matters and things the Commission is ready to aver, maintain, and prove as this Honorable Court shall direct, and hereby prays that said petition be dismissed.

Interstate Commerce Commission, by Edward M. Reidy. Daniel W. Knowlton, Chief Counsel, of Counsel.

[fols. 286-287] *Duly sworn to by Frank McManamy. Jurat omitted in printing.*

[fol. 288] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

ANSWER OF UNITED STATES OF AMERICA—Filed September 17,
1936

United States of America, one of the defendants in the above-entitled cause, for answer to the petition filed therein against it, says:

I

United States admits the truth of the facts alleged in sections I, II, III, and IV of the petition except that it denies that this suit is maintainable under the general equity jurisdiction of this court, and denies that this court, constituted under the Act mentioned in said section III, has power to enjoin and restrain the defendant carriers from complying with the order of the Interstate Commerce Commission entered May 28, 1936, or any other order, and alleges that the jurisdiction of this court so constituted is limited to the enjoining of orders which may be unlawful and the enforcing of orders which are lawful.

II

United States denies all the matters things, and conclusions alleged in sections V and VI of the petition, and will demand strict proof thereof upon the trial of this cause.

[fol. 289]

III

United States denies the allegations contained in section VII of the petition, except that it admits that the plaintiff has performed its own plant switching and car spotting services for several years, admits that defendant carriers have paid and now pay an allowance in the amount of \$1.85 per loaded car upon the pretense that in performing its car switching service, the plaintiff acts for said railroads, but United States denies that said switching and car spotting service performed by plaintiff is a transportation service, denies that said allowance may lawfully be paid, and alleges that, as found by the Interstate Commerce Commis-

sion in its report annexed as Appendix B to the petition (which Appendix is hereby referred to and made a part hereof), the services performed by plaintiff are industrial services which it is not the duty of said railroads to perform or pay for under their line-haul rates.

IV

Answering sections VIII and IX of the petition, United States admits that the railroads therein mentioned have published the tariffs therein described and quoted, but United States denies that the publication of said tariffs makes it lawful for said railroads to pay, or for plaintiff to receive, the allowances or compensation therein published.

V

United States denies the matters, things, and conclusions alleged in section X of the petition, except that it admits that at hearings held before the Interstate Commerce Commission pursuant to notice, plaintiff's representatives and representatives of the railroad defendants herein, appeared, and, upon full opportunity accorded by the Commission, presented testimony with respect to the switching and spotting of cars performed by plaintiff within its plant and the payment by said railroad defendants of allowances therefor.

[fol. 290]

VI

United States denies each and every allegation made and contained in sections XI and XII of the petition, and denies that the order of the Interstate Commerce Commission issued May 28, 1936, is unlawful or void for the reasons alleged in said sections or for any other reason, and United States particularly denies that plaintiff will suffer irreparable or any other legal damage if said order is not enjoined and annulled.

VII

Except as herein expressly admitted, United States denies each and every allegation contained in the petition and in the several separate sections thereof.

Wherefore, having fully answered the petition, United States prays that the relief therein prayed be denied and that said petition be dismissed with costs to the plaintiff,

and that it have such other and further orders, decrees or relief as may be just and proper.

(Signed) Elmer B. Collins, Special Assistant to the Attorney General. (Signed) John Dickinson, Assistant Attorney General. (Signed) Michael L. Igoe, United States Attorney.

[fols. 291-292] *Duly sworn to by Elmer B. Collins. Jurat omitted in printing.*

[fols. 293-294] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

APPEARANCE—Filed September 21, 1936

We hereby enter the appearance of The Belt Railway Company of Chicago, one of the defendants herein, and ourselves as its attorneys.

J. R. Barise and Samuel Kassel, Attorneys for Defendants, The Belt Railway Company of Chicago.

[fol. 295] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

INTERLOCUTORY INJUNCTION—December 2, 1936

The plaintiff having heretofore filed its bill of complaint praying for a permanent injunction against the enforcement, operation and execution of a certain report and order made and entered by the Interstate Commerce Commission, on the 28th day of May, 1936, in certain proceedings known and entitled as Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, the said order being effective, as postponed, on the 15th day of December, 1936, and praying certain other relief as set forth in the bill; and upon motion of plaintiff for such interlocutory injunction pending the final order of the court herein;

And the Honorable James H. Wilkerson, Judge of the District Court of the United States for the Northern District of Illinois, pursuant to Section 47 of the United States Code, having called to his assistance to hear and determine said application for said interlocutory injunction, two other judges, namely, Honorable Evan A. Evans, United States Circuit Judge and Honorable Walter C. Lindley, United States District Judge;

And it appearing that five days' notice of hearing by this court on such application for interlocutory injunction, to be held on Wednesday, the 2nd day of December, 1936, was given to the above named respondents, to the Attorney General of the United States and to the Interstate Commerce Commission;

[fols. 296-302] And the court having jurisdiction of the parties hereto, and of the subject matter, and being fully advised in the premises and upon hearing;

Now, therefore, it is ordered that during the pendency of this matter the United States of America and the Interstate Commerce Commission be and they are hereby restrained and enjoined from taking any steps for the enforcement and execution of the aforesaid report and order entered the 28th day of May, 1936, in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, insofar as the same apply to plaintiff, Chicago By-Product Coke Company, and the said report and order are suspended, stayed, and set aside, pending the further order of the court.

It is further ordered, That until the further order of the Court, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, and Illinois Central Railroad Company are authorized and directed to withhold payments of the allowances covered by their tariffs to the plaintiff, Chicago By-Product Coke Company.

By the Court.

Evan A. Evans, Circuit Judge. James H. Wilkerson,
District Judge. Walter C. Lindley, District Judge.

December 2, 1936.

[fol. 303] IN UNITED STATES DISTRICT COURT

ORDERS OF I. C. C.—Filed April 18, 1938

[fol. 304] Order

At a Session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of February A. D., 1937.

Inland Steel Company Terminal Allowance

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II, Terminal Services

Upon further consideration of the record in the above-entitled proceeding, and good cause appearing therefor:

It is ordered, That the effective date of the order attached to the nineteenth supplemental report therein be, and it is hereby, further postponed to June 15, 1937.

It is further ordered, That the said order shall in all other respects remain in full force and effect.

By the Commission, Division 3.

George W. Laird, Acting Secretary. (Seal.)

[fol. 305] Order

At a Session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of September, A. D., 1936

Chicago By-Product Coke Company Terminal Allowances

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II, Terminal Services

Upon further consideration of the record in the above-entitled proceeding, and the motion filed on behalf of the Chicago By-Product Coke Company for postponement of the order therein attached to the fifty-sixth supplemental report, and good cause appearing therefor:

It is ordered, That the effective date of said order, by its terms made effective July 17, 1936, which was postponed on June 30, 1936 by order of the Commission to October 15, 1936, be, and it is hereby, further postponed to December 15, 1936.

It is further ordered, That the said order shall in all other respects remain in full force and effect.

By the Commission, Division 3.

George B. McGinty, Secretary. (Seal.)

[fols. 306-321]

Order

At a Session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 30th day of June, A. D., 1936

Chicago By-Product Coke Company Terminal Allowances

Ex Parte No. 104

Practices of Carriers Affecting Operating Revenues or Expenses

Part II, Terminal Services

Upon further consideration of the record in the above-entitled proceeding, and the motion filed on behalf of the Chicago By-Product Coke Company for postponement of the order therein attached to the fifty-sixth supplemental report, and good cause appearing therefor:

It is ordered, That the effective date of said order, by its terms made effective July 17, 1936, be, and it is hereby, postponed to October 15, 1936.

It is further ordered, That the said order shall in all other respects remain in full force and effect.

By the Commission, Division 3.

George B. McGinty, Secretary. (Seal.)

[fol. 322] IN UNITED STATES DISTRICT COURT FOR THE NORTH-
ERN DISTRICT OF ILLINOIS, EASTERN DIVISION

In Equity. No. 15335

CHICAGO BY-PRODUCTS COKE COMPANY, Plaintiff,

vs.

UNITED STATES OF AMERICA et al., Defendants; and INTER-
STATE COMMERCE COMMISSION, Intervening Defendant

FINAL DECREE—April 27, 1938

This cause coming on to be heard on the final hearing, and was heard, on petition, answers to petition and proofs, and was argued by counsel before the specially-called and constituted District Court pursuant to the provisions of law; and thereupon, upon consideration thereof, all of said judges concurring, it was finally determined, ordered, adjudged and decreed as follows, viz:

1. That the order heretofore entered herein, dated December 2, 1936, granting a preliminary injunction, be, and the same is, in all respects, hereby vacated and set aside and the preliminary injunction heretofore issued pursuant thereto, be, and the same is hereby, dissolved. The railroad defendants, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, and Illinois Central Railroad Company are expressly relieved from the provision of the order of December 2, 1936, authorizing and directing them, "until the further order of the court", to withhold payments of the allowances covered by their [fols. 323-327] tariffs to the plaintiff, and the amounts so withheld are to be retained by said railroads in their general funds.

2. That the relief prayed in the petition be, and the same is hereby, denied, and the petition is dismissed for want of equity.

By the Court, this 27th day of April, 1938.

William M. Sparks, United States Circuit Judge.

James H. Wilkerson, United States District Judge.

Walter C. Lindley, United States District Judge.

[fol. 328] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

MOTION TO MODIFY FINAL DECREE—Filed May 25, 1938

Now comes the above named plaintiff and moves this Honorable Court to modify the final decree entered by it in the above entitled cause on April 27, 1938, in the manner hereinafter set forth, and in support of said motion, plaintiff respectfully shows:

I

The aforesaid final decree of this Court fails to consider certain facts and circumstances hereinafter more particularly set forth; chiefly, the fact that prior and subsequent to the interlocutory injunction in this case, the Commission by order postponed the effective date of the original cease and desist order entered in this cause and the carriers voluntarily filed new tariff supplements, by express special permission of the Commission, continuing the allowances in effect independently of the requirements of the Court's injunction. Moreover, in other similar causes, the courts and the Commission permitted the continued payments of allowances condemned in orders of the Commission in the underlying proceedings until the tariffs providing therefore finally had been cancelled.

II

The Belt Railway Company of Chicago, the Chicago & Illinois Western Railroad and the Illinois Central Railroad [fol. 329] Company are the carrier defendants in the above entitled cause, in which plaintiff prayed for injunction restraining the enforcement of the order attached to the 56th Supplemental Report of the Interstate Commerce Commission, 216 I. C. C. 8, condemning an allowance of \$1.85 per loaded car. The defendant Belt Railway entered no appearance and filed no answer in this suit. The Illinois Central Railroad published a tariff providing for an allowance but no shipments moved under this tariff and this defendant will not be again referred to herein.

III

The allowance to the plaintiff industry for terminal services performed by that industry for the Belt Railway Company of Chicago is published in that carrier's Tariff No. I. C. C. 120, which was issued September 5, 1922 effective October 10, 1923. A certified copy of this tariff and of the supplements hereinafter referred to are attached hereto as Exhibit A. This tariff remained in full force and effect to the date of the final decree herein.

IV

The allowance to the plaintiff industry for terminal services performed by that industry for the Chicago & Illinois Western Railroad is published in that carrier's Tariff I. C. C. No. 125-A, which was issued February 4, 1935 and effective March 11, 1935. A certified copy of this tariff and of the supplements hereinafter referred to are attached hereto as Exhibit B. This tariff remained in full force and effect to the date of the final decree herein.

V

The order of the Interstate Commerce Commission which has been the subject of this suit was entered May 28, 1936 to become effective July 17, 1936, but was postponed by the further orders of the Commission entered June 30, 1936 and September 10, 1936 and February 26, 1937. The final effective date of the order was by its terms June 15, 1937. Meanwhile, this Court entered an injunction on December 2, 1936, providing:

[fol. 330] "Now, therefore, *it is ordered* that during the pendency of this matter the United States of America and the Interstate Commerce Commission be and they are hereby restrained and enjoined from taking any steps for the enforcement and execution of the aforesaid report and order entered the 28th day of May, 1936, in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II. Terminal Services, insofar as the same apply to plaintiff, Chicago By-Product Coke Company, and the said report and order are suspended, stayed, and set aside, pending the further order of the court.

"It is further ordered, That until the further order of the Court, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, and Illinois Central Railroad Company are authorized and directed to withhold payments of the allowances covered by their tariffs to the plaintiff, Chicago By-Product Coke Company."

VI

The Commission's above mentioned order of February 26, 1937, voluntarily postponing the effective date of its order to June 15, 1937, was, with the other similar orders, received in evidence by this Court at the final hearing herein. It reads as follows:

"Upon further consideration of the record in the above-entitled proceeding, and good cause appearing therefor:

"It is ordered, That the effective date of the order attached to the fifty-sixth supplemental report therein be, and it is hereby, postponed to June 15, 1937.

"It is further ordered, That the said order shall in all other respects remain in full force and effect."

VII

On June 10, 1936, the Belt Railway Company of Chicago published Supplement No. 1 to its Tariff I. C. C. No. 120, cancelling the allowance in conformity with the cease and desist order of the Interstate Commerce Commission, then to be effective July 17, 1936. Thereafter, and pursuant to the above mentioned order of the Commission postponing the effective date of its original order, the Belt Railway Company of Chicago filed Supplement No. 2 to its Tariff I. C. C. No. 120, postponing the cancellation of the allowance tariff. Likewise, by Supplements 3 and 4 to said [fol. 331] Tariff I. C. C. No. 20, the Belt Railway Company of Chicago subsequently further postponed the cancellation of the allowance tariff.

Similarly, on April 16, 1936, the Chicago & Illinois Western Railway published Supplement No. 4 to its Tariff I. C. C. No. 125-A, cancelling the allowance in conformity with the cease and desist order of the Interstate Commerce Commission, effective July 17, 1936. Thereafter, and pursuant to the above mentioned order of the Commission postponing the effective date of its original order, the Chicago

& Illinois Western Railway filed its Supplement No. 5 to said Tariff I. C. C. No. 125-A, postponing the cancellation of the allowance tariffs. By Supplements No. 7, 8, 9 and 10 to said Tariff I. C. C. No. 125-A, the Chicago & Illinois Western Railway further postponed the cancellation of or republished the tariff.

Plaintiff urges and contends that it is entitled to receive all sums which arose under the terms of the tariffs, because said tariffs have at all times remained in full force and effect and have never been suspended or cancelled.

VIII

The decree as entered September 28, 1935 is erroneous in fact and in law because (1) the Court received no evidence and made no finding of facts upon which it could base such a decree and (2) the Court has no jurisdiction to set aside the terms of the tariffs and has no power to command a departure therefrom.

Wherefore, plaintiff moves this Honorable Court to modify the final decree entered by it in the above entitled cause on April 27, 1938 by striking therefrom that portion of Paragraph 1 of said decree which reads as follows:

"And that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendant herein, would have been payable to the plaintiff since the date of said interlocutory injunction and which sums ~~have been~~ pursuant to the last paragraph of said interlocutory injunction set up by said carriers on its books of account, subject to the further order of this Court, shall be retained by said carrier as a part of its general funds and said accounts cancelled."

[fol. 332] and by entering its further order directing the defendants, Belt Railway Company of Chicago and Chicago & Illinois Western Railway to account for and pay over to plaintiff all sums which have become payable pursuant to the allowance tariffs.

Nuel D. Belnap, John S. Burchmore, Solicitors for Plaintiff.

[fol. 333] EXHIBIT "A" TO MOTION TO MODIFY DECREE

(Certified Copies of Tariff and Supplements of Belt Railway Company)

[fol. 334] INTERSTATE COMMERCE COMMISSION, WASHINGTON

I, W. P. Bartel, Secretary of the Interstate Commerce Commission, do hereby certify that the schedules hereto attached and more particularly hereinafter described, are true copies of schedules filed with the said Interstate Commerce Commission on dates specified below, to wit:

The Belt Railway Company of Chicago Local Freight Tariff No. 136, I. C. C. No. 120; said schedule having been filed on September 2, 1922.

Supplement No. 1 to said I. C. C. No. 120, filed June 13, 1936.

Supplement No. 2 to said I. C. C. No. 120, filed July 15, 1936.

Supplement No. 3 to said I. C. C. No. 120, filed October 13, 1936.

Supplement No. 4 to said I. C. C. No. 120, filed December 19, 1936.

The pencil and stamped additions appearing on the copies hereto attached are expressly excluded from this certification, as none of said additions appear on said schedules so filed.

In Witness Whereof I have hereunto set my hand and affixed the Seal of said Commission on this 5th day of May, A. D., 1938.

(Signed) W. P. Bartel, Secretary of the Interstate Commerce Commission. (Seal.)

[fol. 335] Ill. C. C. No. 91

I. C. C. No. 120

No Supplement to this Tariff will be issued except for the purpose of canceling the Tariff.

The Belt Railway Company of Chicago

Local Freight Tariff No. 136

Covering

Allowances

To

Chicago By-Products Coke Company

At

Hawthorne, Illinois

On all carload revenue shipments destined to or coming from the plant of the Chicago By-Products Coke Company, the terminal switching is performed by the Chicago By-Products Coke Company for the account of The Belt Railway Company of Chicago.

The Chicago By-Products Coke Company will be allowed for such services, out of the current Chicago, Illinois rates, the actual cost of service performed, as specified in monthly bills submitted to this company, on all cars handled between point of interchange with this company and the first point at which cars are loaded or unloaded subject to a maximum allowance of \$1.85 per car.

The above allowance includes the handling of the empty cars in the reverse direction or empty cars handled preparatory to loading.

Issued September 5, 1922.

Effective October 10, 1922.

Issued by Frank A. Spink, Traffic Manager, Chicago, Ill.

[fol. 336] Supplement No. 1 to
Ill. C. C. No. 91
Cancels Ill. C. C. No. 91

Supplement No. 1 to
I. C. C. No. 120
Cancels I. C. C. No. 120

The Belt Railway Company of Chicago

Supplement No. 1

to

Local Freight Tariff No. 136

Cancels Tariff No. 136

Covering

Allowances

to

Chicago By-Products Coke Company

at

Hawthorne, Illinois

Tariff No. 136, I. C. C. No. 120, Ill. C. C. No. 91, naming allowances to the Chicago By-Products Coke Company at Hawthorne, Illinois, for terminal switching service performed by the Chicago By-Products Coke Company is hereby withdrawn and cancelled.

Authority: Interstate Commerce Commission's Fifty-Sixth Supplemental Report Division 3 to Ex Parte No. 104, dated May 28, 1936.

Issued June 10, 1936.

Effective July 17, 1936.

Issued by F. J. Wasson, General Traffic and Industrial
Manager, Dearborn St. Station, Chicago, Illinois.

[fol. 337] Supplement No. 2 to
Ill. C. C. No. 91

Supplement No. 2 to
I. C. C. No. 120

The Belt Railway Company of Chicago

Supplement No. 2

to

Local Freight Tariff No. 136

Covering

Allowances

to

Chicago By-Products Coke Company

at

Hawthorne, Illinois

Postponement Notice

The effective date of Supplement No. 1 to Tariff No. 136, I. C. C. No. 120, Ill. C. C. No. 91, is hereby postponed until October 15, 1936.

Pending restoration, reissue or cancellation of matter under postponement, provisions of I. C. C. No. 120, Ill. C. C. No. 91, The Belt Railway Company of Chicago Tariff No. 136 and effective supplements thereto apply.

Authority: Interstate Commerce Commission's Division No. 3 to Ex Parte No. 104, dated June 30, 1936.

Issued July 14, 1936.

Effective July 17, 1936.

Issued on one (1) day's notice under special permission of the Interstate Commerce Commission No. 154536, July 14, 1936.

Departure from the terms of Rule 9 (E) of I. C. C. tariff circular 20 is authorized under special permission of the Interstate Commerce Commission No. 154536 of July 14, 1936.

Issued on one (1) day's notice under special permission of the Illinois Commerce Commission No. R 9021, July 14, 1936.

Issued by F. J. Wasson, General Traffic and Industrial Manager, Dearborn St. Station, Chicago, Illinois.

[fol. 338] Supplement No. 3 to
Ill. C. C. No. 91

Supplement No. 3 to
I. C. C. No. 120

The Belt Railway Company of Chicago

Supplement No. 3

to

Local Freight Tariff No. 136

Covering

Allowances

to

Chicago By-Products Coke Company

at

Hawthorne, Illinois

Postponement Notice

The effective date of Supplement No. 1 to Tariff No. 136, I. C. C. No. 120, Ill. C. C. No. 91, is hereby further postponed to December 15, 1936.

Pending restoration, reissue or cancellation of matter under postponement, provisions of I. C. C. No. 120, Ill. C. C. No. 91, The Belt Railway Company of Chicago Tariff No. 136 and effective supplements thereto apply.

Authority: Interstate Commerce Commission's Division No. 3 to Ex Parte No. 104, dated September 10, 1936.

Issued October 13, 1936.

Effective October 15, 1936.

Issued on one (1) day's notice under special permission of the Interstate Commerce Commission No. 156389, October 9, 1936.

Departure from the terms of Rule 9 (E) of I. C. C. tariff circular 20 is authorized under special permission of the Interstate Commerce Commission No. 156389 of October 9, 1936.

Issued on one (1) day's notice under special permission of the Illinois Commerce Commission No. R 9247, October 13, 1936.

Issued by F. J. Wasson, General Traffic and Industrial
Manager, Dearborn St. Station, Chicago, Illinois.

[fol. 339] Supplement No. 4 to Ill. C. C. No. 91 Cancels Supplement No. 3	Supplement No. 4 to I. C. C. No. 120 Cancels Supplement No. 3
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The Belt Railway Company of Chicago
Supplement No. 4

to
Local Freight Tariff No. 136
Covering
Allowances
to
Chicago By-Products Coke Company
at
Hawthorne, Illinois

Cancellation Notice

The cancellation of terminal allowance to Chicago By-Products Coke Company as provided in Supplement No. 3 to I. C. C. No. 120, Ill. C. C. No. 91, is hereby canceled and withdrawn in compliance with order of the United States District Court, Northern District of Illinois, Eastern Division, at Chicago, Illinois, in Equity No. 15335, dated December 2, 1936.

The provisions of Tariff 136, I. C. C. 120, Ill. C. C. 91, continues in effect pending further amendment to this tariff.

Issued December 14, 1936	Effective December 15, 1936.
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Issued by F. J. Wasson, General Traffic and Industrial
Manager, Dearborn St. Station, Chicago, Illinois.

[fol. 340] EXHIBIT "B" TO MOTION TO MODIFY DECREE
(Certified Copies of Tariff and Supplements of Chicago &
Illinois Western)

Interstate Commerce Commission
Washington

I, W. P. Bartel, Secretary of the Interstate Commerce Commission, do hereby certify that the schedules hereto attached and more particularly hereinafter described, are true copies of schedules filed with the said Interstate Commerce Commission on dates indicated below, to wit:

Chicago & Illinois Western Railroad Freight Tariff G.F.D. 520-E, I.C.C. No. 125-A;
Schedule having been filed on February 5, 1935.
Supplement No. 4 to said I.C.C. No. 125-A, filed April 17, 1936.
Supplement No. 5 to said I.C.C. No. 125-A, filed June 17, 1936.
Supplement No. 6 to said I.C.C. No. 125-A, filed July 9, 1936.
Supplement No. 7 to said I.C.C. No. 125-A, filed September 14, 1936.
Supplement No. 8 to said I.C.C. No. 125-A, filed December 12, 1936.
Supplement No. 9 to said I.C.C. No. 125-A, filed March 2, 1937.
Supplement No. 10 to said I.C.C. No. 125-A, filed March 16, 1937.

The stamped and pencil additions appearing on the copies hereto attached are expressly excluded from this certification, as none of said additions appear on said schedules attached.


IN WITNESS WHEREOF I have hereunto
set my hand and affixed the Seal of
said Commission this 5th day of
May, A. D., 1938.

ed below, to wit:

to & Illinois Western Railroad Freight Tariff G.F.D. 520-E, I.C.C. No. 125-A;
Schedule having been filed on February 5, 1935.
Supplement No. 4 to said I.C.C. No. 125-A, filed April 17, 1936.
Supplement No. 5 to said I.C.C. No. 125-A, filed June 17, 1936.
Supplement No. 6 to said I.C.C. No. 125-A, filed July 9, 1936.
Supplement No. 7 to said I.C.C. No. 125-A, filed September 14, 1936.
Supplement No. 8 to said I.C.C. No. 125-A, filed December 12, 1936.
Supplement No. 9 to said I.C.C. No. 125-A, filed March 2, 1937.
Supplement No. 10 to said I.C.C. No. 125-A, filed March 16, 1937.

the stamped and pencil additions appearing on the copies hereto attached are
expressly excluded from this certification, as none of said additions appear on said
schedules attached.

IN WITNESS WHEREOF I have herunto
set my hand and affixed the Seal of
said Commission this 5th day of
May, A. D., 1938.


SECRETARY OF THE INTERSTATE
COMMERCE COMMISSION.

Ill. C. C. No. 21-A
(Cancels Ill. C. C. Nos. 12-A and 20-A)

I. C. C. No. 125-A
(Cancels I. C. C. Nos. 118-A and 124-A)

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH

PARTICIPATING CARRIERS AS SHOWN HEREIN

FREIGHT TARIFF G. F. D. 520-E

(Cancels G. F. D. 516-E and 520-D)

STAMP HERE

DATE RECEIVED

—OF—

Local, Joint and Proportional Rates

APPLYING ON

CLASSES AND COMMODITIES

Between Stations in State of Illinois

—ALSO—

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

—AT AND BETWEEN—

Stations on Chicago & Illinois Western R. R.

—ALSO BETWEEN—

Stations Named Herein

—AND—

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 17, E. A. Sperry's I. C. C. No. 228, Ill. C. C. No. 138, supplements thereto or successive issues thereof.

Distance or mileage commodity rates shown herein may be used only when no specific through commodity rates from and to the same points have been provided. When governed by a classification which also contains distance or mileage rates they will take precedence over the distance or mileage rates in such classification.

—OF—
Local, Joint and Proportional Rates
APPLYING ON
CLASSES AND COMMODITIES

Between Stations in State of Illinois

—ALSO—

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

—AT AND BETWEEN—

Stations on Chicago & Illinois Western R. R.

—ALSO BETWEEN—

Stations Named Herein

—AND—

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 17, R. A. Sperry's I. C. C. No. 288, Ill. C. C. No. 123, supplements thereto or successive issues thereof.

Distance or mileage commodity rates shown herein may be used only when no specific through commodity rates from and to the same points have been provided. When governed by a classification which also contains distance or mileage rates they will take precedence over the distance or mileage rates in such classification.

ISSUED FEBRUARY 4, 1935

EFFECTIVE MARCH 11, 1935

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place,
CHICAGO, ILL.

TABLE OF CONTENTS

CONTENTS	RULE No. (Except as noted)	CONTENTS	RULE No. (Except as noted)
Distance Rates	80	Interchange	Item 215
Index to Commodities	Page 2	Local	Item 200
List of Industries located on C. & I. W. R. R.	Page 2	Miscellaneous Commodity Rates	Items 220 to 275, incl.
List of Participating Carriers	Page 2	Proportional	Items 205, 210
Minimum Charges	95	Rules and Regulations	5 to 130, incl.
Rates:		Terminal Services	55
Distance Class Rates	Page 5		
Distance Commodity Rates	Items 300, 305, 310		

LIST OF PARTICIPATING CARRIERS

Abbreviations of Carriers	CARRIER	CONCURRENCES			
		I. C. C.		Ill. C. C.	
		FX	No.	FX	No.
B. & O. C. T.	The Baltimore and Ohio-Chicago Terminal Railroad Company	3	53	3	17
B. Ry. of C.	The Belt Railway Company of Chicago	4	118	3	3
C. B. & Q.	Chicago, Burlington & Quincy Railroad Company	3	90	5	16
C. J.	Chicago Junction Railway (The Chicago River and Indiana Railroad Company, Lessee)	5	C. J. 8	5	C. J. 1
C. S. L.	Chicago Short Line Railway Company	5	10	5	1
C. W. P. & S.	Chicago, West Pullman & Southern Railroad Company	5	25	5	5
I. C.	Illinois Central Railroad Company	3	1521	3	2
I. N.	Illinois Northern Railway	5	57	5	3
M. J.	Manufacturers' Junction Railway Company	5	12	5	1
Pullman	Pullman Railroad Company	5	1	5	2

INDEX TO COMMODITIES

COMMODITY	Item No.	COMMODITY	Item No.	COMMODITY	Item No.
Brass	300	Freight of all kinds	205, 210, 215, 225, 230, 235, 240, 245	Railway Equipment	200, 205, 215
Cinders	265, 270, 275			Refuse	255
Dirt, Black	265, 270, 275			Rip Rap	265, 270, 275
Feed	305	Less than carload traffic	245	Stone	265, 270, 275
Flour	310	Railway Company Material	260	Tar	220
Flux Stone	250				

LIST OF INDUSTRIES LOCATED ON CHICAGO & ILLINOIS WESTERN R. R.

NAME	LOCATION	NAME	LOCATION
American Hair & Felt Co	McCook	Lewis Tar Products Co	McCook
American Tar Products Co	Crawford	Loxite Inc	Hodgkins
(a)Barrett Co	Crawford	National Mosaic Tile Co	Crawford
Brisch Brick Co	Crawford	Peoples Gas By-Products Corp	Crawford
Burke & Sons, Alex	Crawford	Peoples Gas Light & Coke Co	Crawford
Cerney, Pickas & Co	Crawford	Riverside Lime & Stone Co	McCook
Chicago & Illinois Western R. R.	Crawford	Penn. Wm., Oil Co	McCook
Chicago By-Products Co	Crawford	Sanitary District of Chicago	Crawford
City of Chicago:		Schick Oil Co	Crawford
House of Correction	Crawford	Schick, Wm., Cut Stone Co	Crawford
Municipal Power Plant	Crawford	Shell Petroleum Co	Crawford
Commonwealth Edison Co	Crawford	Steel Sales Corporation	Crawford
Connelly Iron Sponge Governor Co	Crawford	Stickney Coal Co	Crawford
Consumers Company	McCook	Universal Gasket & Manufacturing Co	Crawford
Cook County Paper Stock Co	Crawford	Universal Oil Products Co	McCook
Doherty & Shepard Co. (D. Co.)	Crawford	Vacuum Oil Co	McCook

LIST OF PARTICIPATING CARRIERS

Abbreviations of Carriers	CARRIER	CONCURRENCES			
		I. C. C.		Ill. C. C.	
		FX	No.	FX	No.
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C. J.	Chicago Junction Railway (The Chicago River and Indiana Railroad Company, Lessee)	5	C. J. 8	5	C. J. 1
C. S. L.	Chicago Short Line Railway Company	5	10	5	1
C. W. P. & S.	Chicago, West Pullman & Southern Railroad Company	5	25	5	5
I. C.	Illinois Central Railroad Company	3	1521	3	2
I. N.	Illinois Northern Railway	5	57	5	3
M. J.	Manufacturers' Junction Railway Company	5	12	5	1
Pullman	Pullman Railroad Company	5	1	5	2

INDEX TO COMMODITIES

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Bran	300	Freight of all kinds	205,210,215,	Railway Equipment	200,205,215
Cinders	265, 270, 275		225,230,235,	Refuse	255
Dirt, Black	265, 270, 275		240,245	Rip Rap	265,270,275
Feed	305	Less than carload traffic	245	Stone	265,270,275
Flour	310	Railway Company Material	250	Tar	220
Flux Stone	250				

LIST OF INDUSTRIES LOCATED ON CHICAGO & ILLINOIS WESTERN R. R.

NAME	LOCATION	NAME	LOCATION
American Hair & Felt Co.	McCook	Lewis Tar Products Co	McCook
American Tar Products Co.	Crawford	Loxite Inc	Hodgkins
(a)Barrett Co.	Crawford	National Mosaic Tile Co	Crawford
Brisch Brick Co	Crawford	Peoples Gas By-Products Corp	Crawford
Burke & Sons, Alex	Crawford	Peoples Gas Light & Coke Co	Crawford
Cerney, Pickas & Co	Crawford	Riverside Lime & Stone Co	McCook
Chicago & Illinois Western R. R.	Crawford	Penn, Wm., Oil Co	McCook
Chicago By-Products Co.	Crawford	Sanitary District of Chicago	Crawford
City of Chicago:		Schick Oil Co	Crawford
House of Correction	Crawford	Schick, Wm., Cut Stone Co	Crawford
Municipal Power Plant	Crawford	Shell Petroleum Co	Crawford
Commonwealth Edison Co	Crawford	Steel Sales Corporation	Crawford
Connelly Iron Sponge Governor Co	Crawford	Stickney Coal Co	Crawford
Consumers Company	McCook	Universal Gasket & Manufacturing Co	Crawford
Cook County Paper Stock Co	Crawford	Universal Oil Products Co	McCook
Dolese & Shepard Co. (Refuse)	Crawford	Vacuum Oil Co	McCook
Dolese & Shepard Co	McCook	Waterway Paper Co	Crawford
Elliott Foundry Co	Crawford	Western Foundry Co	Crawford
Garley Steel Co.	Crawford	Wisconsin Lime & Cement Co	Crawford
Gases Inc	McCook	Wyrcoff Drawn Steel Co	Crawford
Hansel & Elcock Co	Crawford		
Inter Ocean Refining Co	McCook		
Ketler Elliott Co	Crawford		
Koppers Products	Crawford		

PUBLIC TEAM TRACKS

Crawford, Ill.

Hodgkins, Ill

McCook, Ill.

Kedzie Ave., Chicago, Ill

* Applicable only on shipments in tank cars.

RULES AND REGULATIONS

Rule No.	SUBJECT	RULES
5	Advance Charges	This Company will not receive carload shipments from connecting lines with charges collect. Chicago & Illinois Western Railroad charges must be fully prepaid. Charges must be prepaid on cars forwarded from points on Chicago & Illinois Western Railroad to points within Chicago District. (See Rule 25.)
10	Cars Ordered and not Loaded	Empty cars furnished on orders for loading, but not loaded will be charged for at regular tariff rates.
15	Cars Returned to their Lines via Intermediate Roads	On loaded cars received from connecting lines through Belt Railway Company of Chicago, Baltimore & Ohio Chicago Terminal R. R., or Illinois Northern Ry., the charge of those companies for returning the car when empty to connecting line, as published in their Switching Tariffs, lawfully on file with Interstate Commerce Commission and Illinois Commerce Commission must be added to rates shown herein. If empty car is not returned via Belt Railway Company of Chicago, Baltimore & Ohio Chicago Terminal R. R., or Illinois Northern Ry., charge will be refunded through Claim Department.
20	Changes and New Industries	When changes occur in firms, etc., using certain industry tracks, tariff will be corrected as soon as practicable. Until such correction is made, same charge will apply as shown for industry previously using same track. In case of location of new industry, if cars are offered for movement before tariff has been amended, charge to be made will be that shown in tariff for adjoining industry tracks in same district.
25	Definition of Chicago Switching District	See Agent R. A. Sperry's Tariff No. 20-T, I. C. C. No. 242, Ill. C. C. No. 110.
30	Demurrage Charges	All cars handled under this tariff will be subject to demurrage charges as per Agent B. T. Jones' Tariff No. 4-O, I. C. C. No. 2731, Ill. C. C. No. 344.
35	Double or Triple Loaded Cars	When more than one car is required account length or weight of load, such as long timbers, steel, etc., rates shown herein will be collected on each car.
40	Excess Loading	Cars loaded in excess of ten per cent above marked capacity of car, excess will be transferred to another car and will be charged for at carload rate and actual weight; or, entire contents of car will be transferred to a car of greater capacity and charged for at actual weight.
45	Transportation of Explosives and other Dangerous Articles by Freight	Shipping containers, marking and packing requirements for, and handling and transportation of Explosives and Dangerous Articles other than Explosives, must be in accordance with Rules and Regulations prescribed in Agent B. W. Dunn's Freight Tariff No. 2, I. C. C. No. 2, Ill. C. C. No. 2.
50	Interior Yard Switching	Except as otherwise provided, Interior movements at industries will be made on written orders, for which a charge of \$3.15 per car will be made for each movement. Where facilities are provided within yard or plant of an industry receiving and shipping freight in cars which it furnishes, no charge will be made for switching empty cars between railroad's, industrial's or car owner's storage tracks and industrial's or car owner's loading or unloading, storage, shop, inspection, repair or cleaning tracks, or between industrial's or car owner's and between industrial's and car owner's loading or unloading, storage, shop, inspection, repair or cleaning tracks, or for ascertaining weights for billing purposes. No charge will be made for switching empty cars between industrial tracks and interchange tracks with connecting railroads at plant of industry, including delivery to such railroads.
55	Terminal Services	Shipments transported under this tariff are entitled to such privileges and subject to such charges as are provided herein or by issuing carriers' publications, lawfully on file with Interstate Commerce Commission and Illinois Commerce Commission, providing for car service, demurrage, diversion, reconsignment, storage, switching, terminal services, etc.
60	Loaded Cars Refused	Cars refused by connecting lines or industries will be returned at expense of railroad or industry from which they are received.
65	Minimum Weights	Except as otherwise provided rates published herein will apply on actual weight subject to a minimum weight of 60,000 pounds per car.
70	Reconsignments	This company will accept orders for reconsigning loaded cars that have reached destination on its line, charging \$2.70 per car for such reconsignment, in addition to the regular switching charge.

	Intermediate Roads	rates shown herein. In cases where the Chicago Terminal R. R., or Illinois Northern Ry., charge will be refunded through more & Ohio Chicago Terminal R. R., or Illinois Northern Ry., charge will be refunded through Claim Department.
20	Changes and New Industries	When changes occur in firms, etc., using certain industry tracks, tariff will be corrected as soon as practicable. Until such correction is made, same charge will apply as shown for industry previously using same track. In case of location of new industry, if cars are offered for movement before tariff has been amended, charge to be made will be that shown in tariff for adjoining industry tracks in same district.
25	Definition of Chicago Switching District	See Agent R. A. Sperry's Tariff No. 20-T, I. C. C. No. 242, Ill. C. C. No. 110.
30	Demurrage Charges	All cars handled under this tariff will be subject to demurrage charges as per Agent B. T. Jones' Tariff No. 4-O, I. C. C. No. 2731, Ill. C. C. No. 344.
35	Double or Triple Loaded Cars	When more than one car is required account length or weight of load, such as long timbers, steel, etc., rates shown herein will be collected on each car.
40	Excess Loading	Cars loaded in excess of ten per cent above marked capacity of car, excess will be transferred to another car and will be charged for at carload rate and actual weight; or, entire contents of car will be transferred to a car of greater capacity and charged for at actual weight.
45	Transportation of Explosives and other Dangerous Articles by Freight	Shipping containers, marking and packing requirements for, and handling and transportation of Explosives and Dangerous Articles other than Explosives, must be in accordance with Rules and Regulations prescribed in Agent B. W. Dunn's Freight Tariff No. 2, I. C. C. No. 2, Ill. C. C. No. 2.
50	Interior Yard Switching	Except as otherwise provided, Interior movements at industries will be made on written orders, for which a charge of \$3.15 per car will be made for each movement. Where facilities are provided within yard or plant of an industry receiving and shipping freight in cars which it furnishes, no charge will be made for switching empty cars between railroad's, industrial's or car owner's storage tracks and industrial's or car owner's loading or unloading, storage, shop, inspection, repair or cleaning tracks, or between industrial's or car owner's (and between industrial's and car owner's) loading or unloading, storage, shop, inspection, repair or cleaning tracks, or for ascertaining weights for billing purposes. No charge will be made for switching empty cars between industrial tracks and interchange tracks with connecting railroads at plant of industry, including delivery to such railroads.
55	Terminal Services	Shipments transported under this tariff are entitled to such privileges and subject to such charges as are provided herein or by issuing carriers' publications, lawfully on file with Interstate Commerce Commission and Illinois Commerce Commission, providing for car service, demurrage, diversion, reconsignment, storage, switching, terminal services, etc.
60	Loaded Cars Refused	Cars refused by connecting lines or industries will be returned at expense of railroad or industry from which they are received.
65	Minimum Weights	Except as otherwise provided rates published herein will apply on actual weight subject to a minimum weight of 90,000 pounds per car.
70	Reconsigning	This company will accept orders for reconsigning loaded cars that have reached destination on its line, charging \$2.70 per car for such reconsignment, in addition to the regular switching charge. When diverting orders are received prior to cars reaching this line, change of destination to points on Chicago & Illinois Western Railroad will be made without extra charge.
75	Shipments Billed to Order and Notify	Shipments will not be accepted if billed to order and notify when for local switching within Chicago District, as described in C. W. Galligan's Tariff 21-Q, I. C. C. 283, Ill. C. C. No. 132.
80	Special Service	When ordered, special service will be furnished at \$11.00 per engine hour, subject to a minimum of \$22.50 in addition to regular tariff rates applicable on individual cars.
4 Reduction.		

RULES AND REGULATIONS—Continued.

Rule No.	SUBJECT	RULES—Continued
	Terminal Allowance	<p>(a) On all carload revenue shipments destined to or coming from plant of Chicago By-Products Coke Company, terminal switching is performed by Chicago By-Products Coke Company for account of Chicago & Illinois Western Railroad.</p> <p>Chicago By-Products Coke Company will be allowed for such service out of current rate to or from their plant, actual cost of service performed, as specified in monthly bills submitted to this railroad, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car.</p> <p>The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading.</p> <p>(b) On all carload revenue shipments destined to or coming from plant of Commonwealth Edison Company (Crawford Avenue Plant) terminal switching is performed by Commonwealth Edison Company for account of Chicago & Illinois Western Railroad.</p> <p>Commonwealth Edison Company (Crawford Avenue Plant) will be allowed for such service out of current rate to or from their plant \$1.07 per loaded car, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded.</p> <p>The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading. (GF121-Chicago-Commonwealth Edison).</p>
90	Distance Rates	When rates are not shown in this tariff for exact distance, rates published for next greater distance will apply.
95	Minimum Charges	Minimum charge for a carload shipment shall be ^① eighteen dollars.
100	Furnishing Tank Cars	Ratings provided for freight in tank cars do not obligate carriers to furnish tank cars. If carriers' tank cars are voluntarily furnished, interior cleaning, if necessary must be performed by and at expense of shipper. (GF-120-Chicago-Tank Cars.)
105	Open and Prepay Stations	Governed by Agent F. A. Leland's Open and Prepay Stations List No. 40, I. C. C. No. A-14, I. C. R. R. Circular No. 311-X, as to billing requirements, changes in names of stations, additions and abandonment of stations, billing instructions from or to points not on railroads, restrictions as to nonacceptance or nondelivery of freight and changes in station facilities, except as otherwise shown herein.
110	Reference to Tariffs, Items, Notes, Rules, Etc.	Where cross reference is made in this tariff to tariffs, items, notes, rules, etc., such references are continuous, and include supplements to or successive issues of such tariffs; also successive issues of such items, notes, rules, etc.
115	Section 2 Rates Not to Alternate with other Commodity Rates	The rates in Section 2 are specific commodity rates and do not alternate with commodity rates in other sections of the tariff, except as indicated under application of that section.
120	Empty Tank Cars of Private Ownership	<p>(a) Tank cars of private ownership will be moved empty without charge at time movement is made between stations or between stations and junction points on C. & I. W. R. R., including delivery to connecting lines.</p> <p>(b) Should aggregate empty movement of any owner's cars on June 30th of each year or at close of any such yearly period that may be mutually agreed upon, exceed aggregate loaded movement of such cars, such excess must be paid for by owner, either by an equivalent number of loaded movements during succeeding six months, or at charge of \$2.70 per car for excess empty movements.</p> <p>Any excess of loaded movements over empty movements of any owner's cars at end of accounting period will be continued as a credit against empty movements of such cars for ensuing twelve months.</p> <p>(c) Private car owners must assume responsibility for any excess movement resulting from: improper delivery of their cars by connecting lines.</p> <p>(d) Regular tariff rate will be charged for new cars or newly acquired cars moving empty to home or loading point by order of owner.</p>

For Rules and Regulations Relating to	Refer to	Issued by	I. C. C. No.	Ill. C. C. No.
125 Capacity and Dimensions. Cars.				
Other than tank	Railway Equipment Register.	G. P. Conard	R. F. R. 241	R. F. R. 241
Tank	Tank Cars	F. E. R. 241	2518	229

Commonwealth Edison Company (Crawford Avenue Plant) will be allowed for such service out of current rate to or from their plant \$1.07 per loaded car, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded.

The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading. (GF121-Chicago-Commonwealth Edison).

90	Distance Rates	When rates are not shown in this tariff for exact distance, rates published for next greater distance will apply.
95	Minimum Charges	Minimum charge for a carload shipment shall be ①eighteen dollars.
100	Furnishing Tank Cars	Ratings provided for freight in tank cars do not obligate carriers to furnish tank cars. If carriers' tank cars are voluntarily furnished, interior cleaning, if necessary must be performed by and at expense of shipper. (GF-120-Chicago-Tank Cars.)
105	Open and Prepay Stations	Governed by Agent F. A. Leland's Open and Prepay Stations List No. 49, I. C. C. No. A-14, I. C. R. R. Circular No. 311-X, as to billing requirements, changes in names of stations, additions and abandonment of stations, billing instructions from or to points not on railroads, restrictions as to nonacceptance or nondelivery of freight and changes in station facilities, except as otherwise shown herein.
110	Reference to Tariffs, Items, Notes, Rules, Etc.	Where cross reference is made in this tariff to tariffs, items, notes, rules, etc., such references are continuous, and include supplements to or successive issues of such tariffs; also successive issues of such items, notes, rules, etc.
115	Section 1 Rates Not to Alternate with other Commodity Rates	The rates in Section 2 are specific commodity rates and do not alternate with commodity rates in other sections of the tariff, except as indicated under application of that section.
120	Empty Tank Cars of Private Ownership	<p>(a) Tank cars of private ownership will be moved empty without charge at time movement is made between stations or between stations and junction points on C. & I. W. R. R., including delivery to connecting lines.</p> <p>(b) Should aggregate empty movement of any owner's cars on June 30th of each year or at close of any such yearly period that may be mutually agreed upon, exceed aggregate loaded movement of such cars, such excess must be paid for by owner, either by an equivalent number of loaded movements during succeeding six months, or at charge of \$2.70 per car for excess empty movements.</p> <p>Any excess of loaded movements over empty movements of any owner's cars at end of accounting period will be continued as a credit against empty movements of such cars for ensuing twelve months.</p> <p>(c) Private car owners must assume responsibility for any excess movement resulting from improper delivery of their cars by connecting lines.</p> <p>(d) Regular tariff rate will be charged for new cars or newly acquired cars moving empty to home or loading point by order of owner.</p>

For Rules and Regulations Relating to		Refer to	Issued by	I. C. C. No.	Ill. C. C. No.
125	Capacity and Dimensions. Cars:				
	Other than tank	Railway Equipment Register.	G. P. Conard	R. E. R. 241	R. E. R. 241
	Tank	Tank Car Circular.	E. B. Boyd	A-2518	229
	Mileages	Table of Mileages	C. & I. W. R. R.	120-A	15

† Issued in compliance with order of Interstate Commerce Commission in Docket 19610† of July 3, 1933.

SECTION 1

CLASS RATES

Between Stations on the Chicago & Illinois Western R. R.
In Cents per 100 Pounds

CLASSES

DISTANCE IN MILES

1	2	3	4	5	A	B	C	D	E	Rule 25	Rule 26
---	---	---	---	---	---	---	---	---	---	------------	------------

5 miles and under

10 miles and over 5

15 miles and over 10

*Cancel. Carload freight only handled.
For rates see Sections 2 and 3.

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

LOCAL RATES

Item No. 200

BETWEEN	AND	COMMODITIES	Rates in Cents per 100 Pounds (Except as Noted)
C. & I. W. R. R.	C. & I. W. R. R.	Railway Equipment on own wheels, viz:	
		Empty Freight Cars, each	\$2.70
Chicago	Ill. Chicago	Baggage Cars	Each \$0.50
Crawford	" Crawford	Caboose Cars	Each \$0.50
(Formerly Hawthorne, Ill.)	" (Formerly Hawthorne, Ill.)	Dining Cars	
Hodgkins	" Hodgkins	Express Cars	
(Formerly Gary)	" (Formerly Gary)	Locomotives (dead or under steam), and Tenders, 50% of actual weight, minimum 60,000 pounds	2
McCook	" McCook	Locomotive Tenders	2
Western Avenue	" Western Avenue	Mail Cars	
		Passenger Coaches	Each \$0.50
		Sleeping Cars	

PROPORTIONAL RATES

Item No. 206

BETWEEN	AND Connection with connecting lines shown below direct.	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
			Coal, per ton of 2,000 pounds	38	19
			Crushed Stone	21	21
			Sand and Gravel	21	21
			Ice, per ton of 2,000 pounds	25	19
			Railway Equipment on own wheels, viz:		
			Empty Freight Cars, each	\$2.70	\$1.80
			Baggage Cars		
			Ballast Spreaders		
			Caboose Cars		
			Dining Cars		
			Express Cars		
			Mail Cars	Each \$0.50	\$7.65
			Passenger Coaches		
			Sleeping Cars		
			Steam Shovels		
			Steam Drums		
Chicago	Ill. Atchison, Topeka & Santa Fe Ry.				
Crawford	" Baltimore & Ohio Chicago				
Hodgkins	" Term R. R.	McCook			
McCook	" Indiana Harbor Belt R. R.				
Western Ave	" Belt Railway Co.				
	" Chicago, Burlington & Quincy	Crawford			
	" R. R.				
	" Illinois Central R. R.				
	" Manufacturers Junction Ry.				
	" Illinois Northern Ry.				
	" Pennsylvania Railroad Company				

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

Item No. 200

LOCAL RATES

BETWEEN	AND	COMMODITIES	Rates in Cents per 100 Pounds (Except as Noted)
C. & I. W. R. R.	C. & I. W. R. R.	Railway Equipment on own wheels, viz.:	
Chicago Ill.	Chicago Ill.	Empty Freight Cars, each	\$2 70
Crawford "	Crawford "	Baggage Cars	\$9 50
(Formerly Hawthorne, Ill.)	(Formerly Hawthorne, Ill.)	Caboose Cars	
Hodgkins "	Hodgkins "	Dining Cars	\$9 50
(Formerly Gary)	(Formerly Gary)	Express Cars	
McCook "	McCook "	Locomotives (dead or under steam), and Tenders, 50% of actual weight, minimum 60,000 pounds	2
Western Avenue "	Western Avenue "	Locomotive Tenders	2
		Mail Cars	
		Passenger Coaches	\$9 50
		Sleeping Cars	

Item No. 206

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct.	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
			Coal, per ton of 2,000 pounds	38	19
			Crushed Stone	21	21
			Sand and Gravel		
			Ice, per ton of 2,000 pounds	25	19
			Railway Equipment on own wheels, viz.:		
			Empty Freight Cars, each	\$2 70	\$1 80
			Baggage Cars		
			Ballast Spreaders		
			Caboose Cars		
			Dining Cars		
			Express Cars		
			Mail Cars	\$9 50	\$7 65
			Passenger Coaches		
			Sleeping Cars		
			Steam Shovels		
			Steam Derricks		
			Snow Plows		
			Locomotives 50% of actual weight,		
			Tenders		
			Locomotives minimum weight	2	4 1/2
			and Tenders combined dead or under steam 60,000 pounds		
			All other Freight	2	1 1/2
Chicago Ill.	Atchison, Topeka & Santa Fe Ry.	McCook Ill.			
Crawford "	Baltimore & Ohio Chicago Term. R. R.				
Hodgkins "	Indiana Harbor Belt R. R.				
McCook "	Belt Railway Co.				
Western Ave "	Chicago, Burlington & Quincy R. R.	Crawford Ill.			
	Illinois Central R. R.				
	Manufacturers Junction Ry.				
	Illinois Northern Ry.				
	Pennsylvania Railroad Company				
	Lanes, Pittsburgh, P.C. & Oil City, Pa., and West	Western Avenue Ill.			
	Chicago Junction Ry.				
	Chicago River & Indiana R. R.				
	All railroads via Chicago, Ill., when delivery is made direct to that road				

A When point of origin and destination are within a Chicago Switching District

B When point of origin or destination is outside a Chicago Switching District

Chicago Switching District, definition of, see page 3

When pilot is necessary an additional charge of \$5.00 will be made to cover service of pilot

*Change which results in neither increase nor reduction in charges

SECTION 2—Continued
JOINT PROPORTIONAL RATES

Item No. 210.

Between (except as noted)

Chicago	III.	McCook	III.
Crawford	III.	Western Ave.	III.
Hodgkins (Formerly Gary)	III.		

AND

Junction of Intermediate Carriers named in Column Two below with Railroad named in Column One below, such junctions being within Chicago Switching District:

Column One	Column Two	Rates
Alton R. R.	B.Ry. of C.; B.&O.C.T.R.R.; I.N.Ry.	
Atchison, Topeka & Santa Fe Ry.	B.Ry. of C.; B.&O.C.T.R.R.; I.N.Ry.	
Baltimore & Ohio R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Baltimore & Ohio Chicago Terminal R. R.	B.Ry. of C.	
Belt Ry. of Chicago	I.N.Ry.	
Chesapeake and Ohio Ry. of Indiana	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago & Calumet River R. R.	B.&O.C.T.R.R.	
Chicago & Eastern Illinois R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago & Erie R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago & Illinois Western R. R.	B.Ry. of C.; I.N.Ry.	
Chicago & North Western Ry.	B.Ry. of C.; B.&O.C.T.R.R.; I.N.Ry.	
Chicago & Western Indiana R. R.	B.Ry. of C.	
Chicago, Aurora & Elgin R. R.	B.&O.C.T.R.R.	
Chicago, Burlington & Quincy R. R.	B.Ry. of C.; I.N.Ry.	
Chicago Great Western R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago, Indianapolis & Louisville Ry.	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago, Indiana Southern R. R.	B.Ry. of C.	
Chicago Junction Ry.	I.N.Ry.	
Chicago, Milwaukee, St. Paul & Pacific R. R.	B.Ry. of C.; I.N.Ry.	
C.M.St.P. & P.R.R. (Terre Haute Division)	B.&O.C.T.R.R.	
Chicago River & Indiana R. R.	B.Ry. of C.; I.N.Ry.	
Chicago, Rock Island & Pacific Ry.	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago Short Line Ry.	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago, South Shore & South Bend R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Chicago, West Pullman & Southern Ry.	B.Ry. of C.	
Cleveland, Cincinnati, Chicago & St. Louis Ry.	B.Ry. of C.; I.N.Ry.	
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B.Ry. of C.; B.&O.C.T.R.R.	
Erie R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Grand Trunk Ry.	B.Ry. of C.; B.&O.C.T.R.R.; I.N.Ry.	
Illinois Central R. R.	B.Ry. of C.; B.&O.C.T.R.R.; I.N.Ry.	
Illinois Northern Ry.	B.Ry. of C.	
Indiana Harbor Belt R. R.	B.Ry. of C.; I.N.Ry.	
Manufacturers Junction Ry.	B.Ry. of C.	
Michigan Central R. R.	B.Ry. of C.	
Minneapolis, St. Paul & Sault Ste. Marie Ry.	B.Ry. of C.; B.&O.C.T.R.R.; I.N.Ry.	
New York Central R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
New York, Chicago & St. Louis R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Pennsylvania R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Pennsylvania Railroad Company (Lines Pitts-		
burgh, Pa., Oil City, Pa., Erie, Pa., and West)	B.Ry. of C.; B.&O.C.T.R.R.; I.N.Ry.	
Pere Marquette R. R.	B.Ry. of C.; B.&O.C.T.R.R.	
Pullman R. R.	B.Ry. of C.	
Wabash Ry.	B.Ry. of C.; B.&O.C.T.R.R.	

① All Freight, when point of origin and destination are within ① Chicago Switching District, ② cents per 100 pounds, minimum weight 60,000 pounds.

② All Freight, when point of origin or destination is outside ① Chicago Switching District, 14 cents per 100 pounds, minimum through rate 4 cents per 100 pounds, origin to destination. (See Note 1.)

(Note 1) On shipments handled on combination of separately established rates, minimum rate herein provided does not apply to separate factors, but to total of combined factors.

Acheson, Topeka & Santa Fe Ry.	B.Ry. of C.; B. & O.C.T.R.R.	① All Freight, when point of origin and destination are within ① Chicago Switching District, ② cents per 100 pounds, minimum weight 60,000 pounds.
Baltimore & Ohio R. R.	B.Ry. of C.	
Baltimore & Ohio Chicago Terminal R. R.	I.N.Ry.	① All Freight, when point of origin or destination is outside ① Chicago Switching District, 1½ cents per 100 pounds, minimum through rate 4 cents per 100 pounds, origin to destination. (See Note 1.)
Belt Ry. of Chicago	B.Ry. of C.; B. & O.C.T.R.R.	
Chesapeake and Ohio Ry. of Indiana	B. & O.C.T.R.R.	(Note 1) On shipments handled on combination of separately established rates, minimum rate herein provided does not apply to separate factors, but to total of combined factors.
Chicago & Calumet River R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago & Eastern Illinois R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago & Erie R. R.	B.Ry. of C.; I.N.Ry.	
Chicago & Illinois Western R. R.	B.Ry. of C.; B. & O.C.T.R.R.; I.N.Ry.	
Chicago & North Western Ry.	B.Ry. of C.	
Chicago & Western Indiana R. R.	B. & O.C.T.R.R.	
Chicago, Aurora & Elgin R. R.	B.Ry. of C.; I.N.Ry.	
Chicago, Burlington & Quincy R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago Great Western R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago, Indianapolis & Louisville Ry.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago, Indiana Southern R. R.	I.N.Ry.	
Chicago Junction Ry.	B.Ry. of C.; I.N.Ry.	
Chicago, Milwaukee, St. Paul & Pacific R. R.	B. & O.C.T.R.R.	
C.M. St. P. & P.R.R. (Terre Haute Division)	B.Ry. of C.; I.N.Ry.	
Chicago River & Indiana R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago, Rock Island & Pacific Ry.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago Short Line Ry.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago, South Shore & South Bend R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Chicago, West Pullman & Southern Ry.	B.Ry. of C.	
Cleveland, Cincinnati, Chicago & St. Louis Ry.	B.Ry. of C.; I.N.Ry.	
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B.Ry. of C.; B. & O.C.T.R.R.	
Erie R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Grand Trunk Ry.	B.Ry. of C.; B. & O.C.T.R.R.; I.N.Ry.	
Illinois Central R. R.	B.Ry. of C.; B. & O.C.T.R.R.; I.N.Ry.	
Illinois Northern Ry.	B.Ry. of C.	
Indiana Harbor Belt R. R.	B.Ry. of C.; I.N.Ry.	
Manufacturers Junction Ry.	B.Ry. of C.	
Michigan Central R. R.	B.Ry. of C.	
Minneapolis, St. Paul & Sault Ste. Marie Ry.	B.Ry. of C.; B. & O.C.T.R.R.; I.N.Ry.	
New York Central R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
New York, Chicago & St. Louis R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Pennsylvania R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Pennsylvania Railroad Company (Lines Pittsburgh, Pa., Oil City, Pa., Erie, Pa., and West)	B.Ry. of C.; B. & O.C.T.R.R.; I.N.Ry.	
Pere Marquette R. R.	B.Ry. of C.; B. & O.C.T.R.R.	
Pullman R. R.	B.Ry. of C.	
Wabash Ry.	B.Ry. of C.; B. & O.C.T.R.R.	

① Exceptions.
 Baggage Cars.
 Dining Cars.
 Express or Mail Cars.
 For rates on these commodities, see tariffs of Individual Carriers lawfully on file with Interstate Commerce Commission (on Interstate traffic) and with various State Commissions (on Intrastate traffic).

Railway Equipment on own wheels, viz.:
 Freight Cars
 Locomotives or Tenders,
 Passenger Coaches,
 Sleeping Cars.
 Tank Cars

② Chicago Switching District. Definition of, refer to page 3.
 * Issued in compliance with order of Interstate Commerce Commission in Docket No. 19610, of July 3, 1933.
 Note 2.- Rates in connection with Elgin, Joliet & Eastern Ry. apply to but not from points on that line.

C. & I. W. R. R. Tariff No. 880-E

**SECTION 2—Continued
INTERCHANGE RATES.**

Rates per car, shown below (except as noted) cover interchange of carload traffic between connections of Chicago & Illinois Western Railroad.
Item No. 215

CONNECTIONS	Junction Points	COMMODITY	RATES	
			A	B
Atchison, Topeka & Santa Fe Ry. Indiana Harbor Belt R. R. Belt Railway Co. of Chicago Chicago, Burlington & Quincy R. R. Illinois Central R. R. Manufacturers Junction Ry. Illinois Northern Ry. Chicago Junction Ry. Chicago River & Indiana R. R. Pennsylvania Lines (Pittsburgh, Pa., Oil City, Pa., Erie, Pa., and West)	McCook Ill. McCook " Crawford " Crawford " Crawford " Crawford " Western Avenue " Western Avenue " Western Avenue " Western Avenue "	Crushed Stone } per car \$4 95 \$3 80		
		Sand and Gravel } per car \$4 95 \$3 80		
		Loaded Freight Cars, except as noted, per car \$2 70 \$1 80		
		Railway Equipment on own wheels, viz.: Empty Freight Cars, each \$9 50 \$7 65		
		Baggage Cars Each \$9 50 \$7 65		
		Ballast Spreaders Each \$9 50 \$7 65		
		Caboose Cars Each \$9 50 \$7 65		
		Dining Cars Each \$9 50 \$7 65		
		Express Cars Each \$9 50 \$7 65		
		Mail Cars Each \$9 50 \$7 65		
		Passenger Coaches Each \$9 50 \$7 65		
		Sleeping Cars Each \$9 50 \$7 65		
		Steam Shovels Each \$9 50 \$7 65		
		Steam Derricks Each \$9 50 \$7 65		
		Snow Plows Each \$9 50 \$7 65		
		Locomotive 50% of actual weight, minimum 60,000 lbs., in cents per 100 lbs. (2) (14)		
		Locomotive and tenders 50% of actual weight, minimum 60,000 lbs., in cents per 100 lbs. (2) (14)		
		Locomotive and tenders 50% of actual weight, minimum 60,000 lbs., in cents per 100 lbs. (2) (14)		

MISCELLANEOUS COMMODITY RATES
In Cents per 100 Pounds Unless Otherwise Specified

Item No.	APPLYING ON	BETWEEN (Except as noted)	AND (Except as noted)	RATES
①220	Crude Tar, Water Gas Tar in privately owned tank cars. (I. C. C. Docket 19610)	FROM Plant of Chicago By-Product Coke Co. on Chicago and Illinois Western R. R.	TO Plant of American Tar Products Co. on Chicago and Illinois Western R. R.	\$12 00 per car
225	All Freight. Carloads, minimum weight 60,000 pounds.	Crawford Ill. Hodgkins " McCook "	Stations on Chicago, West Pullman & Southern Railroad.	① 3 5
230	All Freight. Carloads, minimum weight 60,000 pounds.	Crawford Ill. Hodgkins " McCook "	McCormick Ill. On Illinois Northern Ry.	① ③ 3 5 ② ③ 3 5
235	All Freight. Carloads, minimum weight 60,000 pounds.	Crawford Ill. Hodgkins " McCook "	Stations on Pullman R. R.	① ③ 4 ② ③ 4
240	All Freight. Carloads, minimum weight 60,000 pounds.	FROM Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other Railroads.	TO Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other Railroads.	13
245	Less than carload traffic.	Industries located on Chicago & Illinois Western R. R.	Junction with Manufacturers Junction Ry. at Crawford, Ill.	\$5 00 per car
①250	Flux Stone. Carloads, minimum weight 60,000 pounds. Rates in cents per ton of 2,000 pounds.	FROM McCook Ill. Hodgkins "	TO Kewanee Ill.	113

Chicago, Burlington & Quincy R. R.	Crawford	Express Cuts	Each	\$6.50	\$7.65
Illinois Central R. R.	Crawford	Mail Cars			
Manufacturers Junction Ry.	Western Avenue	Passenger Coaches			
Illinois Northern Ry.	Western Avenue	Sleeping Cars			
Chicago Junction Ry.	Western Avenue	Steam Shovels			
Chicago River & Indiana R. R.	Western Avenue	Steam Derricks			
Pennsylvania Lines (Pittsburgh, Pa., Oil City, Pa., Erie, Pa., and West)	Western Avenue	Snow Plows			
		Locomotive	50% of actual weight, minimum 60,000 lbs., in cents per 100 lbs.	②	①①
		Locomotive and tenders			
		Locomotive and tenders			

MISCELLANEOUS COMMODITY RATES
In Cents per 100 Pounds Unless Otherwise Specified

Item No.	APPLYING ON	BETWEEN (Except as noted)	AND (Except as noted)	RATES
①220	Crude Tar, Water Gas Tar in privately owned tank cars. (I. C. C. Docket 19610)	FROM Plant of Chicago By-Product Coke Co. on Chicago and Illinois Western R. R.	TO Plant of American Tar Products Co. on Chicago and Illinois Western R. R.	\$12.00 per car
225	All Freight. Carloads, minimum weight 60,000 pounds.	Crawford Ill. Hodgkins McCook	Stations on Chicago, West Pullman & Southern Railroad.	① + 3.5
230	All Freight. Carloads, minimum weight 60,000 pounds.	Crawford Ill. Hodgkins McCook	McCormick Ill. (On Illinois Northern Ry.)	①② + 3.5 ③④ + 3.5
235	All Freight. Carloads, minimum weight 60,000 pounds.	Crawford Ill. Hodgkins McCook	Stations on Pullman R. R.	①③ + 4 ②④ + 4
240	All Freight. Carloads, minimum weight 60,000 pounds.	FROM Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other Railroads.	TO Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other Railroads.	+ 3
245	Less than carload traffic.	Industries located on Chicago & Illinois Western R. R.	Junction with Manufacturers Junction Ry. at Crawford, Ill.	\$5.00 per car
①250	Flux Stone. Carloads, minimum weight 60,000 pounds. Rates in cents per ton of 2,000 pounds.	FROM McCook Ill. Hodgkins	TO Kewanee Ill.	113
①255	① Plant Refuse of no commercial value to shipper and Refuse Waste Material and Excavated Material of no commercial value to shipper, straight or mixed carloads. (NT-5267-395)	FROM Crawford Ill. Hawthorne Hodgkins McCook	TO Crawford Ill. Hawthorne Hodgkins McCook	\$7.50 per car

- ▲—When point of origin and destination are within Chicago Switching District.
 B—When point of origin or destination is outside Chicago Switching District.
 ① Applies on Illinois Intrastate Traffic only.
 ② Applies on Interstate Traffic only.
 ③ Not applicable between industries on C. & I. W. R. R. and Industries on connecting lines within Chicago Switching District as described in Agent C. W. Galligan's Tariff No. 20-S, I. C. C. No. 182, Ill. C. C. No. 81. For rates to apply, refer to Agent C. W. Galligan's Tariff No. 21-P, I. C. C. No. 264, Ill. C. C. No. 122.
 * Issued in compliance with order of Interstate Commerce Commission in Docket 19610, of July 3, 1931.
 * Shipper will be required to certify on Bill of Lading that shipment is of no commercial value to him.
 * Issued in compliance with order of Interstate Commerce Commission in Docket 19610, of July 31, 1931.
 * Chicago Switching District, Definition of, refer to page 3.
 * When pilot is necessary, an additional charge of \$5.00 will be made to cover service of pilot.

Reduction

SECTION 3—Concluded
MISCELLANEOUS COMMODITY RATES
 In Cents per 100 Pounds Unless Otherwise Specified

Item No.	APPLYING ON	BETWEEN (Except as noted)	AND (Except as noted)	RATES
260	Railway Company Material. Carloads, minimum weight 80,000 pounds. Rates in cents per ton of 2,000 pounds.	Hodgkins McCook	TO Connecting lines at McCook, Ill., viz.: A. T. & S. F. Ry. B. & O. C. T. R. R. I. H. B. R. R. Connecting lines at Hawthorne, Ill., viz.: Belt Ry. of Chicago C. B. & Q. R. R. I. C. R. R.	①60
265	Stone, crushed, Rip Rap, Black Dirt and Cinders, carloads, minimum weight capacity of car. Rates in cents per ton of 2,000 pounds.	Crawford Hodgkins McCook	TO Team tracks of Illinois Central Railroad at Chicago, 26th Street and south, Also Blue Island, Burnside, Grand Crossing, Harvey, Homewood, Kensington, Riverdale, South Chicago, West Pullman, Windsor Park.	①70
270			TO Team tracks of Illinois Central Railroad at Chicago, north of 26th Street, Also Berwyn, Bridgeport, Broadview, Forest Park, Hawthorne.	①70
275			TO Tracks serving Stadium Site near 15th Street and Lake Front, Chicago.	①70

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES

Between Stations on Chicago & Illinois Western R. R.

ITEM No. & DISTANCES IN MILES	IN CENTS PER 100 POUNDS		
	300	305	310
	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.
2 miles and under	6	6	6
4 miles and over 2	6½	6½	6½
5 miles and over 4	7	7	7
6 miles and over 5	7½	7½	7½
10 miles and over 6	8	8	8

		I. C. R. R.	
		FROM	TO
265	Stone, crushed, Rip Rap, Black Dirt and Cinders, carloads, minimum weight capacity of car. Rates in cents per ton of 2,000 pounds.	Crawford Hodgkins McCook	Team tracks of Illinois Central Railroad at Chicago, 26th Street and south, Also Blue Island, Burnside, Grand Crossing, Harvey, Homewood, Kensington, Riverdale, South Chicago, West Pullman, Windsor Park.
270			Team tracks of Illinois Central Railroad at Chicago, north of 26th Street, Also Berwyn, Bridgeport, Broadview, Forest Park, Hawthorne.
275			Tracks serving Stadium Site near 15th Street and Lake Front, Chicago.

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES

Between Stations on Chicago & Illinois Western R. R.

ITEM No. 177	IN CENTS PER 100 POUNDS		
	300	305	310
	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.
2 miles and under	6	6	6
4 miles and over 2	6½	6½	6½
5 miles and over 4	7½	7½	7½
6 miles and over 5	7½	7½	7½
10 miles and over 6	8	8	8
15 miles and over 10	9	9	9

Issued in compliance with order of Interstate Commerce Commission in Docket 19610, of July 3, 1933.

Supplement No. 4 to
Ill. C. C. No. 21-A
Cancels Supplement No. 3.
Supplements Nos. ①1 and 4 contain all
changes from original tariff effective
on date hereof.

Supplement No. 4 to
I. C. C. No. 125-A
Cancels Supplement No. 3.
Supplements Nos. ①1 and 4 contain all
changes from original tariff effective
on date hereof.

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH
PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 4 TO G. F. D. 520-E
Cancels Supplement No. 3.
Supplements Nos. ①1 and 4 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO

FREIGHT TARIFF

Stamp here date received

Local, Joint and Proportional Rates
APPLYING ON

COMMODITIES

Between Stations in State of Illinois

-----ALSO-----

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

-----AT AND BETWEEN-----

Stations on the Chicago & Illinois Western R. R.

-----ALSO BETWEEN-----

Stations Named Herein

-----AND-----

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 18, R. A. Sperry's I. C. C. No. 317,
Ill. C. C. No. 149, supplements thereto or successive issues thereof.

Except as otherwise provided, charges resulting from the rates in this supplement are subject to the provisions of Agent
R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148, supplements thereto or successive
issues thereof.

SUPPLEMENT TO

FREIGHT TARIFF

OF

Stamp here date received

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

ALSO

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

AT AND BETWEEN

Stations on the Chicago & Illinois Western R. R.

ALSO BETWEEN

Stations Named Herein

AND

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 18, R. A. Sperry's I. C. C. No. 217, Ill. C. C. No. 149, supplements thereto or successive issues thereof.

Except as otherwise provided, charges resulting from the rates in this supplement are subject to the provisions of Agent R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148, supplements thereto or successive issues thereof.

ISSUED APRIL 16, 1936.

EFFECTIVE MAY 18, 1936.
(Except as otherwise provided herein.)

(1) Special Supplement of Emergency Charges. (Ex Parte 115).

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place,
CHICAGO, ILL.

(100)

(Edw. Koch Ptg. Co., Chicago 55299)

350 (100)

[1] Amends page 5 of tariff.

LIST OF INDUSTRIES LOCATED ON CHICAGO & ILLINOIS WESTERN R. R.

NAME	LOCATION	NAME	LOCATION
CANCEL: ① American Tar Products Co.	Crawford, Ill.	ADD: Consolidated Co. Herlihy Mid-Continent Construction Co. Koppers Products Co.	McCook, Ill. Crawford, Ill. Crawford, Ill.

RULES AND REGULATIONS

Rule No.	SUBJECT	RULES
85 Cancels 85 of Tariff	Terminal Allowance	<p>(a) On all carload revenue shipments destined to or coming from plant of Chicago By-Products Coke Company, terminal switching is performed by Chicago By-Products Coke Company for account of Chicago & Illinois Western Railroad.</p> <p>Chicago By-Products Coke Company will be allowed for such service out of current rate to or from their plant, actual cost of service performed, as specified in monthly bills submitted to this railroad, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car.</p> <p>The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading.</p> <p>(b) Cancel. Allowance to Commonwealth Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1936.</p>
90 Cancels 90 of Tariff	Distance Rates	Cancel . Tariff, as amended, does not contain distance rates. (X) 65-GFD-520.)

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

[2] Item No. 205-A cancels 205.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkins McCook Western Ave	Alton R. R.	McCook Ill.	Coal, per ton of 2,000 pounds	38	19
	Atchison, Topeka & Santa Fe Ry		Crushed Stone	24	19
	Baltimore & Ohio Chicago Term R. R.		Sand and Gravel	25	19
	Indiana Harbor Belt R. R.		Ice, per ton of 2,000 pounds	25	19
Chicago Crawford Hodgkins McCook Western Ave	Belt Railway Co	Crawford Ill.	Railway Equipment on own wheels, viz.: Empty Freight Cars, each	\$2 70	\$1 80
	Chicago, Burlington & Quincy R. R.		Baggage Cars		
	Illinois Central R. R.		Ballast Spreaders		
	Manufacturers Junction Ry		Caboose Cars		
Chicago Crawford Hodgkins McCook Western Ave	Chicago Junction Ry	Western Ave Ill.	Dining Cars		
	Chicago River & Indiana R. R.		Express Cars		
	Illinois Northern Ry		Mail Cars	Each \$0 50	\$7 65
			Passenger Coaches		
			Sleeping Cars		
			Steam Shovels		
			Steam Derricks		

85 Cancels 85 of Tariff	Terminal Allowance	Chicago By-Products Coke Company, terminating switching in switching district of Chicago, is to be made on account of Chicago & Illinois Western Railroad. Chicago By-Products Coke Company will be allowed for such service out of current rate to or from their plant, actual cost of service performed, as specified in monthly bills submitted to this railroad, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car. The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading. (b) Cancel . Allowance to Commonwealth Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1936.
90 Cancels 90 of Tariff	Distance Rates	Cancel . Tariff, as amended, does not contain distance rates. (XX-658-GFD-520.)

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

(2) Item No. 206-A cancels 206.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkins McCook Western Ave	Alton R. R. Atchison, Topeka & Santa Fe Ry Baltimore & Ohio Chicago Term. R. R. Indiana Harbor Belt R. R.	McCook Ill.	Coal, per ton of 2,000 pounds Crushed Stone Sand and Gravel Ice, per ton of 2,000 pounds Railway Equipment on own wheels, viz.: Empty Freight Cars, each Baggage Cars Ballast Spreaders Caboose Cars Dining Cars Express Cars Mail Cars Passenger Coaches Sleeping Cars Steam Shovels Steam Derricks Snow Plows Locomotives Locomotive Tenders Locomotives and Tenders combined (dead or under steam). All other Freight.	38 24 25 \$2 70 \$9 50 2	19 24 19 \$1 80 \$7 65 14
	Belt Railway Co. Chicago, Burlington & Quincy R. R. Illinois Central R. R. Manufacturers Junction Ry	Crawford Ill.			
	Chicago Junction Ry Chicago River & Indiana R. R. Illinois Northern Ry Pennsylvania Railroad Company	Western Ave Ill.			
	All railroads via Chicago, Ill., when delivery is made direct to that road.				
			50% of actual weight mini- mum weight 60,000 pounds		

*Change in wording which results in neither increases nor reductions in charges.

A --When point of origin and destination are within Chicago Switching District.

B --When point of origin and destination is outside of Chicago Switching District.

① Chicago Switching District, definition of, see page 3 of tariff.

(1) When pilot is necessary an additional charge of \$5.00 will be made to cover service of pilot.

(a) Name of industry changed. New name included in list.

(b) Reissued from Supplement No. 2, effective August 12, 1935.

†Increase.

Supplement No. 4 to 880-E.

JOINT PROPORTIONAL RATES

Item No. 210-A cancels 210.

Between (except as noted)

Chicago	Ill.	McCook	Ill.
Crawford	Ill.	Western Ave	Ill.
Hodgkins (formerly Gary)	Ill.		

AND

Junction of Intermediate Carriers named in Column Two below with Railroad named in Column One below, such junctions being within Chicago Switching District:

Column One	Column Two	Rates
① Alton R. R.		
① Atchison, Topeka & Santa Fe Ry		
Baltimore & Ohio R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
① Baltimore & Ohio Chicago Terminal R. R.		
① Belt Ry. of Chicago		
Chesapeake and Ohio Ry. of Indiana	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & Calumet River R. R.	B. & O. C. T. R. R.	
Chicago & Eastern Illinois R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & North Western Ry	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry	
Chicago & Western Indiana R. R.	B. Ry. of C.	
Chicago, Aurora & Elgin R. R.	B. & O. C. T. R. R.	
① Chicago, Burlington & Quincy R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago Great Western R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, Indianapolis & Louisville Ry		
Chicago, Indiana Southern R. R.	B. Ry. of C.	
① Chicago Junction Ry		
Chicago, Milwaukee, St. Paul & Pacific R. R.	B. Ry. of C.; I. N. Ry.	
C. M. St. P. & P. R. R. (Terre Haute Division)	B. & O. C. T. R. R.	
① Chicago River & Indiana R. R.		
Chicago, Rock Island & Pacific Ry	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago Short Line Ry	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, South Shore & South Bend R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, West Pullman & Southern Ry	B. Ry. of C.	
Cleveland, Cincinnati, Chicago & St. Louis Ry	B. Ry. of C.; I. N. Ry	
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B. Ry. of C.; B. & O. C. T. R. R.	
Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Grand Trunk Ry	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry	
① Illinois Central R. R.		
① Illinois Northern Ry		
① Indiana Harbor Belt R. R.		
① Manufacturers Junction Ry		
Michigan Central R. R.	B. Ry. of C.	
Minneapolis, St. Paul & Sault Ste. Marie Ry	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry	
New York Central R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
New York, Chicago & St. Louis R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
① Pennsylvania R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Pere Marquette R. R.	B. Ry. of C.	
Pullman R. R.	B. Ry. of C.	
Wabash Ry	B. Ry. of C.; B. & O. C. T. R. R.	

① All Freight, when point of origin and destination are within ① Chicago Switching District, ② 2 cents per 100 pounds, minimum weight 60,000 pounds.

② All Freight, when point of origin or destination is outside ① Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

① Alton R. R.		
① Atchison, Topeka & Santa Fe Ry.	B. Ry. of C.; B. & O. C. T. R. R.	
Baltimore & Ohio R. R.		
① Baltimore & Ohio Chicago Terminal R. R.		
① Belt Ry. of Chicago		
Chesapeake and Ohio Ry. of Indiana	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & Calumet River R. R.	B. & O. C. T. R. R.	
Chicago & Eastern Illinois R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & North Western Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.	
Chicago & Western Indiana R. R.	B. Ry. of C.	
Chicago, Aurora & Elgin R. R.	B. & O. C. T. R. R.	
① Chicago, Burlington & Quincy R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago Great Western R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, Indianapolis & Louisville Ry.		
Chicago, Indiana Southern R. R.	B. Ry. of C.	
① Chicago Junction Ry.		
Chicago, Milwaukee, St. Paul & Pacific R. R.	B. Ry. of C.; I. N. Ry.	
C. M. St. P. & P. R. R. (Terre Haute Division)	B. & O. C. T. R. R.	
① Chicago River & Indiana R. R.		
Chicago, Rock Island & Pacific Ry.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago Short Line Ry.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, South Shore & South Bend R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, West Pullman & Southern Ry.	B. Ry. of C.	
Cleveland, Cincinnati, Chicago & St. Louis Ry.	B. Ry. of C.; I. N. Ry.	
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B. Ry. of C.; B. & O. C. T. R. R.	
Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Grand Trunk Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.	
① Illinois Central R. R.		
① Illinois Northern Ry.		
① Indiana Harbor Belt R. R.		
① Manufacturers Junction Ry.		
Michigan Central R. R.	B. Ry. of C.	
Minneapolis, St. Paul & Sault Ste. Marie Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.	
New York Central R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
New York, Chicago & St. Louis R. R.		
① Pennsylvania R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Pere Marquette R. R.	B. Ry. of C.	
Pullman R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Wabash Ry.		

③ All Freight, when point of origin and destination are within ① Chicago Switching District, ② cents per 100 pounds, minimum weight 60,000 pounds.

③ All Freight, when point of origin or destination is outside ① Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

- ① Chicago Switching District, definition of, see page 3 of tariff.
- ② Exceptions.
- | | | |
|-----------------------|--|----------------|
| Baggage Cars. | Railway Equipment on own wheels, viz.: | Sleeping Cars. |
| Dining Cars. | Freight Cars. | Tank Cars. |
| Express or Mail Cars. | Locomotives or Tenders. | |
| | Passenger Coaches. | |
- For rates on these commodities, see tariffs of Individual Carriers lawfully on file with Interstate Commerce Commission (on Interstate traffic) and with various State Commissions (on Intrastate traffic).
- ④ Issued in compliance with order of Interstate Commerce Commission in Docket No. 19610¹, of July 3, 1933.
- ⑤ Cancel account direct connection with C. & I. W. R. R. For rates to apply, see Item 205-A.
- Note 2.—Rates in connection with Elgin, Joliet & Eastern Ry. apply to but not from points on that line.
- ⑥ Reissued from Supplement No. 2, effective August 12, 1935.

SUPPLEMENT No. 4 TO 520-E.

SECTION 2

MISCELLANEOUS COMMODITY RATES

In Cents per 100 Pounds Unless Otherwise Specified

Item No.	APPLYING ON	BETWEEN (Except as noted)	AND (Except as noted)	RATES
(1) 241-A Cans (280)	Crushed Stone, carloads, minimum weight 110,000 pounds. Rates in cents per ton of 2,000 pounds. Expires with December 31, 1937.	FROM Quarries of the Consumers Co., Dolese & Shepard, and Riverside Lime and Cement Co., located at or near McCook, Ill.	TO Sewage treatment plant of the Sanitary District of Chicago at 39th Street and 52nd Ave., within the switching district of Chicago, Ill.	① 2 30

Amends page 8 of tariff.

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES

Between Stations on Chicago & Illinois Western R. R.

ITEM No. 302	IN CENTS PER 100 POUNDS		
	300	305	310
DISTANCES IN MILES	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.
Cancel, account no movement.			

① Published to meet motor truck competition. Not subject to Agent R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148, supplements thereto or successive issues thereof.

② Issued in compliance with order of the Interstate Commerce Commission in Docket 19610, third supplemental report, of June 25, 1935.

③ Reissued from Supplement No. 3, effective April 29, 1936.

159

Supplement No. 5 to
Ill. C. C. No. 21-A
Cancels Supplement No. 4.
Supplements Nos. ①1 and 5 contain all
changes from original tariff effective
on date hereof.

Supplement No. 5 to
I. C. C. No. 125-A
Cancels Supplement No. 4.
Supplements Nos. ①1 and 5 contain all
changes from original tariff effective
on date hereof.

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH
PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 5 TO G. F. D. 520-E

Cancels Supplement No. 4.
Supplements Nos. ①1 and 5 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO

FREIGHT TARIFF

OF

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

--- ALSO ---

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

--- AT AND BETWEEN ---

Stations on the Chicago & Illinois Western R. R.

--- ALSO BETWEEN ---

Stations Named Herein

--- AND ---

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 18, R. A. Sperry's I. C. C. No. 317,
Ill. C. C. No. 149, supplements thereto or successive issues thereof.

Except as otherwise provided, charges resulting from the rates in this supplement are subject to the general terms of the Chicago & Illinois Western Railroad.

Stamp here date received

SUPPLEMENT No. 5 TO G. F. D. 520-E

Cancels Supplement No. 4.

Supplements Nos. 1 and 5 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO

Stamp here date received

FREIGHT TARIFF

OF

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

— ALSO —

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

— AT AND BETWEEN —

Stations on the Chicago & Illinois Western R. R.

— ALSO BETWEEN —

Stations Named Herein

— AND —

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 18, R. A. Sperry's I. C. C. No. 317, Ill. C. C. No. 149, supplements thereto or successive issues thereof.

Except as otherwise provided, charges resulting from the rates in this supplement are subject to the provisions of Agent R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148, supplements thereto or successive issues thereof.

ISSUED JUNE 15, 1936.

EFFECTIVE JULY 17, 1936.
(Except as otherwise provided herein.)

(Special Supplement of Emergency Charges. (Ex Parte 115).)

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place,
CHICAGO, ILL.

Supplement No. 5 to 830-E.

Amends page 2 of tariff.

LIST OF INDUSTRIES LOCATED ON CHICAGO & ILLINOIS WESTERN R. R.

NAME	LOCATION	NAME	LOCATION
CANCEL: American Tar Products Co	Crawford, Ill.	ADD: Consolidated Co. Herlihy Mid-Continent Construction Co. Koppers Products Co	McCook, Ill. Crawford, Ill. Crawford, Ill.

RULES AND REGULATIONS

Rule No.	SUBJECT	RULES
85 Cancels 85 of Supplement No. 4	Terminal Allowance	(a) Cancel. Allowance to Chicago By-Products Coke Company discontinued. Published in compliance with order of the Interstate Commerce Commission in Ex Parte 104, Fifty-Sixth Supplemental Report of May 28, 1936. (Ex Parte 104) (b) Cancel. Allowance to Commonwealth Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1936.
90 Cancels 90 of Tariff	Distance Rates	Cancel. Tariff, as amended, does not contain distance rates. (XX-658-GFD-520.)

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

Item No. 305-A cancels 305.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkins McCook Western Ave	Alton R. R. Atchison, Topeka & Santa Fe Ry Baltimore & Ohio Chicago Term. R. R. Indiana Harbor Belt R. R.	McCook Ill.	Coal, per ton of 2,000 pounds Crushed Stone Sand and Gravel Ice, per ton of 2,000 pounds Railway Equipment on own wheels, viz.: Empty Freight Cars, each	38 23 23 25 \$2 70	19 21 19 \$1 80
	Belt Railway Co Chicago, Burlington & Quincy R. R. Illinois Central R. R. Manufacturers Junction Ry	Crawford Ill.	Baggage Cars Ballast Spreaders Caboose Cars Dining Cars Express Cars Mail Cars Passenger Coaches Sleeping Cars Steam Shovels		
	Chicago Junction Ry			\$9 50	\$7 65

Rule No.	SUBJECT	RULES
85 Cancels 85 of Supple- ment No. 4	Terminal Allowance	(a) Cancel. Allowance to Chicago By-Products Coke Company discontinued. Published in compliance with order of the Interstate Commerce Commission in Ex Parte 104, Fifty-Sixth Supplemental Report of May 28, 1936. (Ex Parte 104) (b) Cancel. Allowance to Commonwealth Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1936.
90 Cancels 90 of Tariff	Distance Rates	Cancel. Tariff, as amended, does not contain distance rates. (XX-658-GFD-520.)

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

Item No. 205-A cancels 205.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkins McCook Western Ave	Alton R. R. Atchison, Topeka & Santa Fe Ry Baltimore & Ohio Chicago Term. R. R. Indiana Harbor Belt R. R.	McCook Ill.	Coal, per ton of 2,000 pounds Crushed Stone Sand and Gravel Ice, per ton of 2,000 pounds Railway Equipment on own wheels, viz.: Empty Freight Cars, each	38 2½ 25 \$2 70	19 2½ 19 \$1 80
	Belt Railway Co Chicago, Burlington & Quincy R. R. Illinois Central R. R. Manufacturers Junction Ry	Crawford Ill.	Baggage Cars Ballast Spreaders Caboose Cars Dining Cars Express Cars Mail Cars Passenger Coaches Sleeping Cars Steam Shovels Steam Derricks Snow Plows		
	Chicago Junction Ry Chicago River & Indiana R. R. Illinois Northern Ry Pennsylvania Railroad Company	Western Ave Ill.	Locomotives Locomotive Tenders Locomotives and mini- Tenders combined (dead or under weight steam). 60,000 pounds	50% of actual weight 2	(2) 1½
	All railroads via Chicago, Ill., when delivery is made direct to that road.		All other Freight.	2	1½

A When point of origin and destination are within Chicago Switching District

B When point of origin or destination is outside of Chicago Switching District.

Chicago Switching District, definition of, see page 3 of tariff.

When pilot is necessary an additional charge of \$5.00 will be made to cover service of pilot.

Name of industry changed. New name included in list.

Reissued from Supplement No. 2, effective August 12, 1935

Reissued from Supplement No. 4, effective May 18, 1936.

◆ Increase.

JOINT PROPORTIONAL RATES

Item No. 210-A cancels 210.

Between (except as noted)

Chicago	Ill.	McCook	Ill.
Crawford	Ill.	Western Ave.	Ill.
Hodgkins (formerly Gary)	Ill.		

AND

Junction of Intermediate Carriers named in Column Two below with Railroad named in Column One below, such junctions being within Chicago Switching District:

Column One	Column Two	Rates
Alton R. R.		
Atchison, Topeka & Santa Fe Ry.		
Baltimore & Ohio R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Baltimore & Ohio Chicago Terminal R. R.		
Belt Ry. of Chicago		
Chesapeake and Ohio Ry. of Indiana	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & Calumet River R. R.	B. & O. C. T. R. R.	
Chicago & Eastern Illinois R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago & North Western Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.	
Chicago & Western Indiana R. R.	B. Ry. of C.	
Chicago, Aurora & Elgin R. R.	B. & O. C. T. R. R.	
Chicago, Burlington & Quincy R. R.		
Chicago Great Western R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, Indianapolis & Louisville Ry.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, Indiana Southern R. R.	B. Ry. of C.	
Chicago Junction Ry.		
Chicago, Milwaukee, St. Paul & Pacific R. R.	B. Ry. of C.; I. N. Ry.	
C. M. St. P. & P. R. R. (Terre Haute Division)	B. & O. C. T. R. R.	
Chicago River & Indiana R. R.		
Chicago, Rock Island & Pacific Ry.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago Short Line Ry.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, South Shore & South Bend R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Chicago, West Pullman & Southern Ry.	B. Ry. of C.	
Cleveland, Cincinnati, Chicago & St. Louis Ry.	B. Ry. of C.; I. N. Ry.	
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B. Ry. of C.; B. & O. C. T. R. R.	
Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Grand Trunk Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.	
Illinois Central R. R.		
Illinois Northern Ry.		
Indiana Harbor Belt R. R.		
Manufacturers Junction Ry.		
Michigan Central R. R.	B. Ry. of C.	
Minneapolis, St. Paul & Sault Ste. Marie Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.	
New York Central R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
New York, Chicago & St. Louis R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Pennsylvania R. R.		
Pere Marquette R. R.	B. Ry. of C.; B. & O. C. T. R. R.	
Pullman R. R.	B. Ry. of C.	
Wabash Ry.	B. Ry. of C.; B. & O. C. T. R. R.	

1) All Freight, when point of origin and destination are within Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

2) All Freight, when point of origin or destination is outside Chicago Switching District, 3 cents per 100 pounds, minimum weight 60,000 pounds.

1 Chicago Switching District, definition of, see page 3 of tariff.

2 Exceptions.

Railway Equipment on own wheels, viz.:

7 Alton R. R.	
7 Atchison, Topeka & Santa Fe Ry.	
Baltimore & Ohio R. R.	B. Ry. of C.; B. & O. C. T. R. R.
7 Baltimore & Ohio Chicago Terminal R. R.	
7 Belt Ry. of Chicago	
Chesapeake and Ohio Ry. of Indiana	B. Ry. of C.; B. & O. C. T. R. R.
Chicago & Calumet River R. R.	B. & O. C. T. R. R.
Chicago & Eastern Illinois R. R.	B. Ry. of C.; B. & O. C. T. R. R.
Chicago & Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.
Chicago & North Western Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.
Chicago & Western Indiana R. R.	B. Ry. of C.
Chicago, Aurora & Elgin R. R.	B. & O. C. T. R. R.
7 Chicago, Burlington & Quincy R. R.	
Chicago Great Western R. R.	B. Ry. of C.; B. & O. C. T. R. R.
Chicago, Indianapolis & Louisville Ry.	B. Ry. of C.; B. & O. C. T. R. R.
Chicago, Indiana Southern R. R.	B. Ry. of C.
7 Chicago Junction Ry.	
Chicago, Milwaukee, St. Paul & Pacific R. R.	B. Ry. of C.; I. N. Ry.
C. M. St. P. & P. R. R. (Terre Haute Division)	B. & O. C. T. R. R.
7 Chicago River & Indiana R. R.	
Chicago, Rock Island & Pacific Ry.	B. Ry. of C.; B. & O. C. T. R. R.
Chicago Short Line Ry.	B. Ry. of C.; B. & O. C. T. R. R.
Chicago, South Shore & South Bend R. R.	B. Ry. of C.; B. & O. C. T. R. R.
Chicago, West Pullman & Southern Ry.	B. Ry. of C.
Cleveland, Cincinnati, Chicago & St. Louis Ry.	B. Ry. of C.; I. N. Ry.
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B. Ry. of C.; B. & O. C. T. R. R.
Erie R. R.	B. Ry. of C.; B. & O. C. T. R. R.
Grand Trunk Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.
7 Illinois Central R. R.	
7 Illinois Northern Ry.	
7 Indiana Harbor Belt R. R.	
7 Manufacturers Junction Ry.	
Michigan Central R. R.	B. Ry. of C.
Minneapolis, St. Paul & Sault Ste. Marie Ry.	B. Ry. of C.; B. & O. C. T. R. R.; I. N. Ry.
New York Central R. R.	B. Ry. of C.; B. & O. C. T. R. R.
New York, Chicago & St. Louis R. R.	B. Ry. of C.; B. & O. C. T. R. R.
7 Pennsylvania R. R.	
Pere Marquette R. R.	B. Ry. of C.; B. & O. C. T. R. R.
Pullman R. R.	B. Ry. of C.
Wabash Ry.	B. Ry. of C.; B. & O. C. T. R. R.

2) All Freight, when point of origin and destination are within (1) Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

3) All Freight, when point of origin or destination is outside (1) Chicago Switching District, 3 cents per 100 pounds, minimum weight 60,000 pounds.

1 Chicago Switching District, definition of, see page 3 of tariff.

2 Exceptions.

Baggage Cars.

Dining Cars.

Express or Mail Cars.

Railway Equipment on own wheels, viz.:

Freight Cars.

Locomotives or Tenders.

Passenger Coaches.

Sleeping Cars.

Tank Cars.

For rates on these commodities, see tariffs of Individual Carriers lawfully on file with Interstate Commerce Commission (on Interstate traffic) and with various State Commissions (on Intrastate traffic).

3 Issued in compliance with order of Interstate Commerce Commission in Docket No. 196101, of July 3, 1933.

4 Cancel account direct connection with C. & I. W. R. R. For rates to apply, see Item 2.5-A.

Note 2. Rates in connection with Elgin, Joliet & Eastern Ry. apply to but not from points on that line.

5 Reissued from Supplement No. 2 effective August 12, 1935.

SUPPLEMENT No. 8 TO 830-E.

SECTION 2

MISCELLANEOUS COMMODITY RATES

In Cents per 100 Pounds Unless Otherwise Specified

Item No.	APPLYING ON	BETWEEN (Except as noted)	AND (Except as noted)	RATES
280-A Cancels 280	Crushed Stone, earloads, minimum weight 110,000 pounds. Rates in cents per ton of 2,000 pounds. Expires with December 31, 1937.	FROM Quarries of the Consumers Co., Dolese & Shepard, and Riverside Lime and Cement Co., located at or near McCook, Ill.	TO Sewage treatment plant of the Sanitary District of Chicago at 39th Street and 52nd Ave., within the switching district of Chicago, Ill.	1.20

Amends page 8 of tariff.

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES

Between Stations on Chicago & Illinois Western R. R.

ITEM No.	IN CENTS PER 100 POUNDS		
	300	305	310
DISTANCES IN MILES	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.
Canceled, account no movement.			

6 Published to meet motor truck competition. Not subject to Agent R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148, supplements thereto or successive issues thereof.

2 Issued in compliance with order of the Interstate Commerce Commission in Docket 19610, third supplemental report, of June 25, 1935.

1 Reissued from Supplement No. 3, effective April 29, 1936.

POSTPONEMENT SUPPLEMENT

Supplement No. 6 to
Ill. C. C. No. 21-A
Supplements Nos. ①1, ②5 and ③6 con-
tain all changes from original tariff
effective on date hereof.

Supplement No. 6 to
I. C. C. No. 125-A
Supplements Nos. ①1, ②5 and ③6 con-
tain all changes from original tariff
effective on date hereof.

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH
PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 6 TO G. F. D. 520-E
Supplements Nos. ①1, ②5 and ③6 contain all changes from original tariff effective on date hereof

SUPPLEMENT TO
FREIGHT TARIFF
OF

Stamp here date received

2

Local, Joint and Proportional Rates
APPLYING ON

COMMODITIES

Between Stations in State of Illinois

ALSO

RULES GOVERNING HANDLING OF
CARLOAD FREIGHT

AT AND BETWEEN

Stations on the Chicago & Illinois Western R. R.

ALSO BETWEEN

Stations Named Herein

AND

Junctions and Connecting Lines, and Between Connections

POSTPONEMENT NOTICE.

SUPPLEMENT No. 6 TO G. F. D. 520-E
Supplements Nos. ①, ② and ③ contain all changes from original tariff effective on date hereof

SUPPLEMENT TO

FREIGHT TARIFF

— OF —

Stamp here date received

2

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

— ALSO —

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

— AT AND BETWEEN —

Stations on the Chicago & Illinois Western R. R.

— ALSO BETWEEN —

Stations Named Herein

— AND —

Junctions and Connecting Lines, and Between Connections

POSTPONEMENT NOTICE.

The effective date of Paragraph (a) of Rule No. 85 of Supplement No. 5 to I. C. C. No. 125-A, Ill. C. C. No. 21-A, C. & I. W. R. R. Tariff G. F. D. 520-E is hereby postponed until October 15, 1936.

Pending restoration, reissue or cancellation of matter under postponement, provisions of I. C. C. No. 125-A, Ill. C. C. No. 21-A, C. & I. W. R. R. Tariff G. F. D. 520-E and effective supplements thereto, apply.

ISSUED JULY 8, 1936.

EFFECTIVE JULY 17, 1936

Issued on one (1) day's notice under Special Permission of the Interstate Commerce Commission No. 154345 of July 3, 1936, and on one (1) day's notice under Special Permission of the Illinois Commerce Commission No. R-9001 of July 7, 1936.

- ① Special Supplement of Emergency Charges. (Ex Parte 115).
- ② Partly under postponement.
- ③ Postponement Supplement.

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place
CHICAGO, ILL.

POSTPONEMENT SUPPLEMENT

Supplement No. 7 to
IN C. C. No. 21-A

Cancels Supplement No. 6.
Supplements Nos. ①1, ②5 and ③7 contain all changes from original tariff effective on date hereof.

Supplement No. 7 to
I. C. C. No. 125-A

Cancels Supplement No. 6.
Supplements Nos. ①1, ②5 and ③7 contain all changes from original tariff effective on date hereof.

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH
PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 7 TO G. F. D. 520-E
Cancels Supplement No. 6.

Supplements Nos. ①1, ②5 and ③7 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO
FREIGHT TARIFF

—OF—

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

—ALSO—

RULES GOVERNING HANDLING OF
CARLOAD FREIGHT

—AT AND BETWEEN—

Stations on the Chicago & Illinois Western R. R.

—ALSO BETWEEN—

Stations Named Herein

—AND—

Junctions and Connecting Lines, and Between Connections

Stamp here date received

PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 7 TO G. F. D. 520-E

Cancels Supplement No. 6.

Supplements Nos. ①1, ②5 and ③7 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO

FREIGHT TARIFF

—OF—

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

—ALSO—

**RULES GOVERNING HANDLING OF
CARLOAD FREIGHT**

—AT AND BETWEEN—

Stations on the Chicago & Illinois Western R. R.

—ALSO BETWEEN—

Stations Named Herein

—AND—

Junctions and Connecting Lines, and Between Connections

Stamp here date received

POSTPONEMENT NOTICE.

The effective date of Paragraph (a) of Rule No. 85 of Supplement No. 5 to I. C. C. No. 125-A, Ill. C. C. No. 21-A, C. & I. W. R. R. Tariff G. F. D. 520-E is hereby postponed until December 15, 1936.

Pending restoration, reissue or cancellation of matter under postponement, provisions of I. C. C. No. 125-A, Ill. C. C. No. 21-A, C. & I. W. R. R. Tariff G. F. D. 520-E and effective supplements thereto, apply.

ISSUED SEPTEMBER 12, 1936.

EFFECTIVE OCTOBER 15, 1936.

Issued on compliance with order of the Interstate Commerce Commission in Ex Parte No. 104, Fifty-Sixth Supplemental Report of May 28, 1936, as amended.

- ① Special Supplement of Emergency Charges. (Ex Parte 115).
- ② Partly under postponement.
- ③ Postponement Supplement.

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place,
CHICAGO, ILL.

CHICAGO BY-PRODUCT COKE CO.
3500 S. CRAWFORD AVE.
CHICAGO, ILL.

CANCELLATION SUPPLEMENT

Supplement No. 8 to
Ill. C. C. No. 21-A
Cancels Supplement No. 7.
Supplements Nos. ①1, 5 and ③6 con-
tain all changes from original tariff
effective on date hereof.

Supplement No. 8 to
I. C. C. No. 125-A
Cancels Supplement No. 7.
Supplements Nos. ①1, 5 and ③6 con-
tain all changes from original tariff
effective on date hereof.

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH
PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 8 TO G. F. D. 520-E
Cancels Supplement No. 7.

Supplements Nos. ①1, 5 and ③6 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO

FREIGHT TARIFF

—OF—

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

—ALSO—

RULES GOVERNING HANDLING OF
CARLOAD FREIGHT

—AT AND BETWEEN—

Stations on the Chicago & Illinois Western R. R.

—ALSO BETWEEN—

Stations Named Herein

—AND—

Junctions and Connecting Lines, and Between Connections

Stamp here date received

3

PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 8 TO G. F. D. 520-E

Cancels Supplement No. 7.

Supplements Nos. ①1, 5 and ②8 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO

FREIGHT TARIFF

—OF—

Local, Joint and Proportional Rates

APPLYING ON

COMMODITIES

Between Stations in State of Illinois

—ALSO—

**RULES GOVERNING HANDLING OF
CARLOAD FREIGHT**

—AT AND BETWEEN—

Stations on the Chicago & Illinois Western R. R.

—ALSO BETWEEN—

Stations Named Herein

—AND—

Junctions and Connecting Lines, and Between Connections

Stamp here date received

3

CANCELLATION NOTICE

The cancellation of Terminal Allowance to Chicago By-Products Coke Company as provided in paragraph (a), Item 85, page 2 of Supplement 5 to I. C. C. No. 125-A, Ill. C. C. No. 21-A, C. & I. W. R. R., G. F. D. 520-E, is hereby canceled and withdrawn in compliance with order of the United States District Court, Northern District of Illinois, Eastern Division, at Chicago, Illinois, in Equity No. 15335, dated December 2, 1936.

The provisions of paragraph (a), Item 85 of I. C. C. No. 125-A, Ill. C. C. No. 21-A, C. & I. W. R. R., G. F. D. 520-E continues in effect pending further amendment to this tariff.

ISSUED DECEMBER 12, 1936.

EFFECTIVE DECEMBER 15, 1936.

- ①Special Supplement of Emergency Charges. (Ex Parte 115).
- ②Cancellation Supplement.

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place,
CHICAGO, ILL.

Supplement No. 9 to
Ill. C. C. No. 21-A
Cancels Supplements Nos. ① and 5.
Supplements Nos. ②, ③ and ④ contain all
changes from original tariff effective
on date hereof.

Supplement No. 9 to
I. C. C. No. 125-A
Cancels Supplements Nos. ① and 5.
Supplements Nos. ②, ③ and ④ contain all
changes from original tariff effective
on date hereof.

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH
PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 9 TO G. F. D. 520-E
Cancels Supplements Nos. ① and 5.
Supplements Nos. ②, ③ and ④ contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO
FREIGHT TARIFF
OF

Stamp here date received

4

Local, Joint and Proportional Rates
APPLYING ON

COMMODITIES

Between Stations in State of Illinois

— ALSO —

RULES GOVERNING HANDLING OF
CARLOAD FREIGHT

— AT AND BETWEEN —

Stations on the Chicago & Illinois Western R. R.

— ALSO BETWEEN —

Stations Named Herein

— AND —

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 18, R. A. Sperry's I. C. C. No. 317,
Ill. C. C. No. 149, supplements thereto or successive issues thereof.

PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 9 TO G. F. D. 520-E

Cancels Supplements Nos. ①1 and 5.

Supplements Nos. 28 and 9 contain all changes from original tariff effective on date hereof.

SUPPLEMENT TO

FREIGHT TARIFF

OF

Stamp here date received

4

Local, Joint and Proportional Rates
APPLYING ON

COMMODITIES

Between Stations in State of Illinois

— ALSO —

RULES GOVERNING HANDLING OF

CARLOAD FREIGHT

— AT AND BETWEEN —

Stations on the Chicago & Illinois Western R. R.

— ALSO BETWEEN —

Stations Named Herein

— AND —

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 18, R. A. Sperry's I. C. C. No. 317, Ill. C. C. No. 149, supplements thereto or successive issues thereof.

ISSUED FEBRUARY 27, 1937.

EFFECTIVE APRIL 1, 1937.
(Except as otherwise provided herein)

① Special Supplement of Emergency Charges. (Ex Parte 115). Cancelled to clear records.
② Cancellation Supplement.

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place,
CHICAGO, ILL.

(Edw. Keogh Ptg. Co., Chicago—50897)

Supplement No. 9 to 820-E.

① Amends page 2 of tariff.

LIST OF INDUSTRIES LOCATED ON CHICAGO & ILLINOIS WESTERN R. R.

NAME	LOCATION	NAME	LOCATION
CANCEL:		ADD:	
① American Tar Products Co.....	Crawford, Ill.	Consolidated Co.....	McCook, Ill.
		Herlihy Mid-Continent Construction Co....	Crawford, Ill.
		Koppers Products Co.....	Crawford, Ill.

RULES AND REGULATIONS

Rule No.	SUBJECT	RULES
85 Cancels 85 of Supplement No. 4 and 85 of Supplement No. 5	Terminal Allowance	<p>(a) On all carload revenue shipments destined to or coming from plant of Chicago By-Products Coke Company, terminal switching is performed by Chicago By-Products Coke Company for account of Chicago & Illinois Western Railroad.</p> <p>Chicago By-Products Coke Company will be allowed for such service out of current rate to or from their plant, actual cost of service performed, as specified in monthly bills submitted to this railroad, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car.</p> <p>The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading.</p> <p>(b) ② Cancel. Allowances to Commonwealth Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1936.</p>
② 90 Cancels 90 of Tariff	Distance Rates	Cancel. Tariff, as amended, does not contain distance rates. (XX-658-GFD-520.)

SECTION 3

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

① Item No. 305-A cancels 305.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkins McCook Western Ave	Alton R. R. Atchison, Topeka & Santa Fe Ry Baltimore & Ohio Chicago Term. R. R. Indiana Harbor Belt R. R.	McCook	Coal, per ton of 2,000 pounds	38	19
			Crushed Stone	24	24
			Sand and Gravel	25	19
			Ice, per ton of 2,000 pounds		
			Railway Equipment on own wheels, viz.: Empty Freight Cars, each	\$2 70	\$1 80
	Belt Railway Co Chicago, Burlington & Quincy R. R. Illinois Central R. R. Manufacturers Junction Ry	Crawford	Baggage Cars		
			Ballast Spreaders		
			Caboose Cars		
			Dining Cars		
			Express Cars		
			Mail Cars	Each \$9 50	\$7 65
			Passenger Coaches		
			Sleeping Cars		

No.	SUBJECT	RULES
85 Cancels 85 of Supplement No. 4 and 85 of Supplement No. 5	Terminal Allowance	<p>(a) On all earload revenue shipments destined to or coming from plant of Chicago By-Products Coke Company, terminal switching is performed by Chicago By-Products Coke Company for account of Chicago & Illinois Western Railroad.</p> <p>Chicago By-Products Coke Company will be allowed for such service out of current rate to or from their plant, actual cost of service performed; as specified in monthly bills submitted to this railroad, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car.</p> <p>The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading.</p> <p>(b) <input type="checkbox"/> Cancel. Allowances to Commonwealth Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1936.</p>
<input type="checkbox"/> 90 Cancels 90 of Tariff	Distance Rates	Cancel. Tariff, as amended, does not contain distance rates. (XX-658-GFD-520.)

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

(1) Item No. 305-A cancels 305.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkin- McCook Western Ave	Alton R. R. Atchison, Topeka & Santa Fe Ry Baltimore & Ohio Chicago Term. R. R. Indiana Harbor Belt R. R.	McCook Ill.	Coal, per ton of 2,000 pounds Crushed Stone Sand and Gravel Ice, per ton of 2,000 pounds Railway Equipment on own wheels, viz.: Empty Freight Cars, each	38 2 1/2 25 \$2 70	19 2 1/2 19 \$1 80
	Belt Railway Co Chicago, Burlington & Quincy R. R. Illinois Central R. R. Manufacturers Junction Ry	Crawford Ill.	Baggage Cars Ballast Spreaders Caboose Cars Dining Cars Express Cars Mail Cars Passenger Coaches Sleeping Cars Steam Shovels Steam Derricks Snow Plows	Each \$9 50	\$7 65
	Chicago Junction Ry Chicago River & Indiana R. R. Illinois Northern Ry Pennsylvania Railroad Company	Western Ave Ill.	Locomotives Locomotive Tenders Locomotives and Tenders combined (dead or under steam). All other Freight.	50% of actual weight minimum weight 60,000 pounds 2	1 1/2 1 1/2 1 1/2 1 1/2 1 1/2
	All railroads via Chicago, Ill., when delivery is made direct to that road			2	1 1/2

A -When point of origin and destination are within Chicago Switching District.

B -When point of origin or destination is outside of Chicago Switching District.

(1) Chicago Switching District, definition of, see page 3 of tariff

(2) When pilot is necessary an additional charge of \$5.00 will be made to cover service of pilot

(3) Name of industry changed. New name included in list

(4) Reissued from Supplement No. 2, effective August 12, 1935

(5) Reissued from Supplement No. 4, effective May 18, 1936

JOINT PROPORTIONAL RATES

③ Item No. 210-A cancels 210.

Between (except as noted)

Chicago

111.

McCook

III.

**Chicago
Crawford.**

111.

Western Ave

III.

Hodgkins (formerly Gary)

XII.

AND

AND
Junction of Intermediate Carriers named in Column Two below with Railroad named in Column One below, such junctions being within Chicago Switching District:

Column One	Column Two	Rates
⑦ Alton R. R.		
⑦ Atchison, Topeka & Santa Fe Ry	B. Ry. of C; B. & O. C. T. R. R.	
Baltimore & Ohio R. R.		
⑦ Baltimore & Ohio Chicago Terminal R. R.		
⑦ Belt Ry. of Chicago		
Chesapeake and Ohio Ry. of Indiana	B. Ry. of C; B. & O. C. T. R. R.	
Chicago & Calumet River R. R.	B. & O. C. T. R. R.	
Chicago & Eastern Illinois R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Chicago & Erie R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Chicago & North Western Ry	B. Ry. of C; B. & O. C. T. R. R.; I. N. Ry	
Chicago & Western Indiana R. R.	B. Ry. of C	
Chicago, Aurora & Elgin R. R.	B. & O. C. T. R. R.	
⑦ Chicago, Burlington & Quincy R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Chicago Great Western R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Chicago, Indianapolis & Louisville Ry	B. Ry. of C	
Chicago, Indiana Southern R. R.	B. Ry. of C; I. N. Ry	
⑦ Chicago Junction Ry	B. & O. C. T. R. R.	
Chicago, Milwaukee, St. Paul & Pacific R. R.		
C. M. St. P. & P. R. R. (Terre Haute Division)		
⑦ Chicago River & Indiana R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Chicago, Rock Island & Pacific Ry	B. Ry. of C; B. & O. C. T. R. R.	
Chicago Short Line Ry	B. Ry. of C; B. & O. C. T. R. R.	
Chicago, South Shore & South Bend R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Chicago, West Pullman & Southern Ry	B. Ry. of C	
Cleveland, Cincinnati, Chicago & St. Louis Ry	B. Ry. of C; I. N. Ry	
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B. Ry. of C; B. & O. C. T. R. R.	
Erie R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Grand Trunk Ry	B. Ry. of C; B. & O. C. T. R. R.; I. N. Ry	
⑦ Illinois Central R. R.		
⑦ Illinois Northern Ry		
⑦ Indiana Harbor Belt R. R.		
⑦ Manufacturers Junction Ry	B. Ry. of C	
Michigan Central R. R.	B. Ry. of C; B. & O. C. T. R. R.; I. N. Ry	
Minneapolis, St. Paul & Sault Ste. Marie Ry	B. Ry. of C; B. & O. C. T. R. R.	
New York Central R. R.		
New York, Chicago & St. Louis R. R.	B. Ry. of C; B. & O. C. T. R. R.	
⑦ Pennsylvania R. R.		
Pere Marquette R. R.	B. Ry. of C; B. & O. C. T. R. R.	
Pullman R. R.	B. Ry. of C	
Wabash Ry	B. Ry. of C; B. & O. C. T. R. R.	

① All Freight, when point of origin and destination are within ① Chicago Switching District, $\frac{1}{2}$ cents per 100 pounds, minimum weight 60,000 pounds.

② All Freight, when point of origin or destination is outside ① Chicago Switching District, 3 cents per 100 pounds, minimum weight 60,000 pounds.

⑦ Alton R. R.
 ⑥ Atchison, Topeka & Santa Fe Ry.
 Baltimore & Ohio R. R.
 ⑦ Baltimore & Ohio Chicago Terminal R. R.
 ⑦ Belt Ry. of Chicago
 Chesapeake and Ohio Ry. of Indiana
 Chicago & Calumet River R. R.
 Chicago & Eastern Illinois R. R.
 Chicago & Erie R. R.
 Chicago & North Western Ry.
 Chicago & Western Indiana R. R.
 Chicago, Aurora & Elgin R. R.
 ⑦ Chicago, Burlington & Quincy R. R.
 Chicago Great Western R. R.
 Chicago, Indianapolis & Louisville Ry.
 Chicago, Indiana Southern R. R.
 ⑦ Chicago Junction Ry.
 Chicago, Milwaukee, St. Paul & Pacific R. R.
 C. M. St. P. & P. R. R. (Terre Haute Division)
 ⑦ Chicago River & Indiana R. R.
 Chicago, Rock Island & Pacific Ry.
 Chicago Short Line Ry.
 Chicago, South Shore & South Bend R. R.
 Chicago, West Pullman & Southern Ry.
 Cleveland, Cincinnati, Chicago & St. Louis Ry.
 Elgin, Joliet & Eastern Ry. (see Note 2 below)
 Erie R. R.
 Grand Trunk Ry.
 ⑦ Illinois Central R. R.
 ⑦ Illinois Northern Ry.
 ⑦ Indiana Harbor Belt R. R.
 ⑦ Manufacturers Junction Ry.
 Michigan Central R. R.
 Minneapolis, St. Paul & Sault Ste. Marie Ry.
 New York Central R. R.
 New York, Chicago & St. Louis R. R.
 ⑦ Pennsylvania R. R.
 Pere Marquette R. R.
 Pullman R. R.
 Wabash Ry.

B Ry. of C; B. & O. C. T. R. R.

B Ry. of C; B. & O. C. T. R. R.
 B. & O. C. T. R. R.
 B Ry. of C; B. & O. C. T. R. R.
 B Ry. of C; B. & O. C. T. R. R.
 B Ry. of C; B. & O. C. T. R. R.; I. N. Ry.

B Ry. of C
 B. & O. C. T. R. R.

B. Ry. of C; B. & O. C. T. R. R.
 B. Ry. of C; B. & O. C. T. R. R.

B. Ry. of C

B. Ry. of C; I. N. Ry.
 B. & O. C. T. R. R.

B. Ry. of C; B. & O. C. T. R. R.
 B. Ry. of C; B. & O. C. T. R. R.
 B. Ry. of C; B. & O. C. T. R. R.
 B. Ry. of C
 B. Ry. of C; I. N. Ry.

B. Ry. of C; B. & O. C. T. R. R.
 B. Ry. of C; B. & O. C. T. R. R.
 B. Ry. of C; B. & O. C. T. R. R.; I. N. Ry.

B. Ry. of C
 B. Ry. of C; B. & O. C. T. R. R.; I. N. Ry.
 B. Ry. of C; B. & O. C. T. R. R.

B Ry. of C; B. & O. C. T. R. R.

B. Ry. of C; B. & O. C. T. R. R.
 B. Ry. of C
 B. Ry. of C; B. & O. C. T. R. R.

① All Freight, when point of origin and destination are within ① Chicago Switching District, ② 3 cents per 100 pounds, minimum weight 60,000 pounds.

① All Freight, when point of origin or destination is outside ① Chicago Switching District, ② 3 cents per 100 pounds, minimum weight 60,000 pounds.

① Chicago Switching District, definition of, see page 3 of tariff.

② Exceptions.

Baggage Cars.

Dining Cars.

Express or Mail Cars.

Railway Equipment on own wheels, viz.:

Freight Cars.

Locomotives or Tenders.

Passenger Coaches.

Sleeping Cars.

Tank Cars.

For rates on these commodities, see tariffs of Individual Carriers lawfully on file with Interstate Commerce Commission (on Interstate traffic) and with various State Commissions (on Intrastate traffic).

③ Issued in compliance with order of Interstate Commerce Commission in Docket No. 19610¹, of July 3, 1933.

④ Cancel account direct connection with C. & I. W. R. R. For rates to apply, see Item 205-A.

Note 2.—Rates in connection with Elgin, Joliet & Eastern Ry. apply to but not from points on that line.

⑤ Released from Supplement No. 2, effective August 12, 1935.

SUPPLEMENT No. 9 TO 880-E.

SECTION 2
MISCELLANEOUS COMMODITY RATES
 In Cents per 100 Pounds Unless Otherwise Specified

Item No.	APPLYING ON	BETWEEN (Except as noted)	AND (Except as noted)	RATES
265-A Cancels 265	Stone, Crushed, Rip Rap, Black Dirt and Cinders, earloads, minimum weight capacity of car, except as noted. Rates in cents per ton of 2,000 pounds.	Crawford. Ill. Hodgkins. Ill. McCook. Ill.	TO Team tracks of Illinois Central Railroad at Chicago, 26th Street and south. Also Blue Island, Burnside, Grand Crossing, Harvey, Homewood, Kensington, Riverdale, South Chicago, West Pullman, Windsor Park.	+ 6 45 + 6 70
270-A Cancels 270			TO Team tracks of Illinois Central Railroad at Chicago, north of 26th Street. Also Berwyn, Bridgeport, Broadview, Forest Park, Hawthorne.	+ 6 45 + 6 70
275-A Cancels 275			TO Tracks serving Stadium Site near 15th Street and Lake Front, Chicago.	+ 6 45 + 6 70
280-A Cancels 280	Crushed Stone, earloads, minimum weight 110,000 pounds. Rates in cents per ton of 2,000 pounds. Expires with December 31, 1937.	FROM Quarries of the Consumers Co., Dolese & Shepard, and Riverside Lime and Cement Co., located at or near McCook, Ill.	TO Sewage treatment plant of the Sanitary District of Chicago at 39th Street and 52nd Ave., within the switching district of Chicago, Ill.	① 2 30

Amends page 8 of tariff.

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES
 Between Stations on Chicago & Illinois Western R. R.

ITEM No.	IN CENTS PER 100 POUNDS		
	300	305	310
DISTANCES IN MILES	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.

265	Stone, Crushed, Rip Rap, Black Dirt and Cinders, earloads, minimum weight capacity of car, except as noted. Rates in cents per ton of 2,000 pounds.	Crawford Hodgkins McCook	III. III. III.	Homewood, Kensington, Riverdale, South Chicago, West Pullman, Windsor Park.	
270-A Cancels 270				TO Team tracks of Illinois Central Railroad at Chicago, north of 26th Street, Also Berwyn, Bridgeport, Broadview, Forest Park, Hawthorne.	+5.450 x0.70
275-A Cancels 275				TO Tracks serving Stadium Site near 15th Street and Lake Front, Chicago.	+5.450 x0.70
280-A Cancels 280	Crushed Stone, earloads, minimum weight 110,000 pounds. Rates in cents per ton of 2,000 pounds. Expires with December 31, 1937.	FROM Quarries of the Consumers Co., Dolese & Shepard, and Riverside Lime and Cement Co., located at or near McCook, Ill.		TO Sewage treatment plant of the Sanitary District of Chicago at 39th Street and 52nd Ave., within the switching district of Chicago, Ill.	(1) 2.30

Amends page 8 of tariff.

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES

Between Stations on Chicago & Illinois Western R. R.

ITEM No.	IN CENTS PER 100 POUNDS		
	300	305	310
DISTANCES IN MILES	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.
Canceled account no movement.			

▲Reduction

◆Applies only on Illinois intrastate traffic

ⓐPublished to meet motor truck competition. Not subject to Agent R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148, supplements thereto or successive issues thereof

ⓑIssued in compliance with order of the Interstate Commerce Commission in Docket 19610, third supplemental report, of June 25, 1935

ⓒIssued in compliance with order of Interstate Commerce Commission in Docket 19610, of July 3, 1933

ⓓApplies only on Crushed Stone, earloads, minimum weight 100,000 pounds, shipped in open top cars not covered by tariffs and other protective covering. Published in compliance with amended order of the Interstate Commerce Commission in Docket 19610, of February 2, 1937, and orders of the Illinois Commerce Commission in Dockets 15191, 15339 (and supplemental orders thereto, 15878, 17179 and 17345 of February 11, 1937. Expires with September 30, 1938, unless sooner cancelled, changed or extended

ⓔDoes not apply on traffic covered by reference mark

ⓖReissued from Supplement No. 3, effective April 29, 1936.

Supplement No. 11 to
Ill. C. C. No. 21-A
Cancels Supplements Nos. 9 and 10.
Supplements Nos. ②8 and 11 contain all
changes from original tariff effective
on date hereof.

Supplement No. 10 to
I. C. C. No. 125-A
Cancels Supplement No. 9
Supplements Nos. ②8 and 10 contain all
changes from original tariff effective
on date hereof.

CHICAGO & ILLINOIS WESTERN RAILROAD

IN CONNECTION WITH
PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 10 TO G. F. D. 520-E
Cancels Supplements Nos. 9 and 9-A.
Supplements Nos. ②8 and 10 contain all changes from original tariff effective on date hereof

SUPPLEMENT TO
FREIGHT TARIFF
—OF—

Stamp here date received

5

Local, Joint and Proportional Rates
APPLYING ON

COMMODITIES

Between Stations in State of Illinois

—ALSO—

RULES GOVERNING HANDLING OF
CARLOAD FREIGHT

—AT AND BETWEEN—

Stations on the Chicago & Illinois Western R. R.

—ALSO BETWEEN—

Stations Named Herein

—AND—

Junctions and Connecting Lines and Between Connections

PARTICIPATING CARRIERS AS SHOWN IN TARIFF

SUPPLEMENT No. 10 TO G. F. D. 520-E

Cancels Supplements Nos. 9 and 9-A.

Supplements Nos. ⑧ and 10 contain all changes from original tariff effective on date hereof

SUPPLEMENT TO

FREIGHT TARIFF

OF

Stamp here date received

5

Local, Joint and Proportional Rates
APPLYING ON

COMMODITIES

Between Stations in State of Illinois

— ALSO —

**RULES GOVERNING HANDLING OF
CARLOAD FREIGHT**

— AT AND BETWEEN —

Stations on the Chicago & Illinois Western R. R.

— ALSO BETWEEN —

Stations Named Herein

— AND —

Junctions and Connecting Lines, and Between Connections

Governed (except as otherwise provided herein) by Illinois Freight Classification No. 18, R. A. Sperry's I. C. C. No. 317, Ill. C. C. No. 149, supplements thereto or successive issues thereof.

ISSUED MARCH 15, 1937.

EFFECTIVE APRIL 15, 1937.
(Except as otherwise provided herein.)

(Cancellation Supplement.)

Issued by
W. F. EBERHARDT
Traffic Manager
135 East Eleventh Place,
CHICAGO, ILL.

Amends page 2 of tariff.

LIST OF INDUSTRIES LOCATED ON CHICAGO & ILLINOIS WESTERN R. R.

NAME	LOCATION	NAME	LOCATION
CANCEL: American Tar Products Co	Crawford, Ill.	ADD: Consolidated Co Herlihy Mid-Continent Construction Co Koppers Products Co	McCook, Ill. Crawford, Ill. Crawford, Ill.

RULES AND REGULATIONS

Rule No.	SUBJECT	RULES
1085 Cancels 85 of Supplement No. 4 and 85 of Supplement No. 5	Terminal Allowance	(a) On all carload revenue shipments destined to or coming from plant of Chicago By-Products Coke Company, terminal switching is performed by Chicago By-Products Coke Company for account of Chicago & Illinois Western Railroad. Chicago By-Products Coke Company will be allowed for such service out of current rate to or from their plant, actual cost of service performed, as specified in monthly bills submitted to this railroad, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car. The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading. (b) Cancel. Allowances to Commodities with Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1946.
1090 Cancels 90 of Tariff	Distance Rates	Cancel. Tariff, as amended, does not contain distance rates. (XX-658-GFD-520.)

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

Item No. 205-B cancels 205-A.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkins McCook Western Ave	Alton R. R.	McCook Ill.	Coal, per ton of 2,000 pounds	38	19
	Atchison, Topeka & Santa Fe Ry		Crushed Stone	42	42
	Baltimore & Ohio Chicago Term.		Sand and Gravel	25	19
	R. R.		Ice, per ton of 2,000 pounds		
	Indiana Harbor Belt R. R.		Railway Equipment on own wheels, viz.: Empty Freight Cars, each	\$2 70	\$1 80
(I. C. C. Dkt. 19610)	Belt Railway Co	Crawford Ill.	Baggage Cars		
	Chicago, Burlington & Quincy		Ballast Spreaders		
	R. R.		Caboose Cars		
	Illinois Central R. R.		Dining Cars		
	Manufacturers Junction Ry		Express Cars		
	Chicago Junction Ry	Western Ave Ill.	Mail Cars	Each \$9 50	\$7 65
	Chicago River & Indiana R. R.		Passenger Coaches		
			Sleeping Cars		
			Steam Shovels		
			Steam Derricks		

[185] Cancels 85 of Supplement No. 4 and 85 of Supplement No. 5	Terminal Allowance	<p>(a) On all carload revenue shipments destined to or coming from plant of Chicago By-Products Coke Company, terminal switching is performed by Chicago By-Products Coke Company for account of Chicago & Illinois Western Railroad.</p> <p>Chicago By-Products Coke Company will be allowed for such service out of current rate to or from their plant, actual cost of service performed, as specified in monthly bills submitted to this railroad, on all cars handled between points of interchange with this railroad and first point at which cars are loaded or unloaded, subject to a maximum allowance of \$1.85 per car.</p> <p>The above allowance includes handling of empty cars in reverse direction or empty cars handled preparatory to loading.</p> <p>(b) [1] Cancel. Allowances to Commonwealth Edison Company (Crawford Avenue Plant) discontinued. Published in compliance with order of Interstate Commerce Commission in Ex Parte 104, 49th Supplemental Report, of April 1, 1936.</p>
[190] Cancels 90 of Tariff	Distance Rates	Cancel. Tariff, as amended, does not contain distance rates. (XX-658-GFD-520.)

SECTION 2

When rates are published in this Section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points published in other sections.

Item No. 206-B cancels 206-A.

PROPORTIONAL RATES

BETWEEN	AND Connection with connecting lines shown below direct	Junction Points	Commodities	Rates in Cents per 100 Pounds (Except as Noted)	
				A	B
Chicago Crawford Hodgkins McCook Western Ave (I. C. C. Dkt. 19610)	Ill. Alton R. R. Atchison, Topeka & Santa Fe Ry Baltimore & Ohio Chicago Term. R. R. Indiana Harbor Belt R. R.	McCook Ill.	Coal, per ton of 2,000 pounds Crushed Stone Sand and Gravel Ice, per ton of 2,000 pounds Railway Equipment on own wheels, viz.: Empty Freight Cars, each	38 42 25 25 70	19 42 19 \$1 80
	Ill. Belt Railway Co. Chicago, Burlington & Quincy R. R. Illinois Central R. R. Manufacturers Junction Ry	Crawford Ill.	Baggage Cars Ballast Spreaders Caboose Cars Dining Cars Express Cars Mail Cars Passenger Coaches Sleeping Cars Steam Shovels Steam Derricks } Snow Plows	Each \$9 50	\$7 65
	Chicago Junction Ry Chicago River & Indiana R. R. Illinois Northern Ry. Pennsylvania Railroad Company	Western Ave Ill.	Locomotives Locomotive Tenders Locomotives and Tenders combined (dead or under steam) 50% of actual weight mini-mum weight 60,000 pounds	2	14
	All railroads via Chicago, Ill., when delivery is made direct to that road.		All other Freight.	2	14

A—When point of origin and destination are within ①Chicago Switching District.
B—When point of origin or destination is outside of ①Chicago Switching District.

ΔReduction.

①Chicago Switching District, definition of, see page 3 of tariff.

②When pilot is necessary an additional charge of \$5.00 will be made to cover service of pilot. ✓

③Name of industry changed. New name included in list.

④Reissued from Supplement No. 2, effective August 1, 1935.

⑤Reissued from Supplement No. 4, effective May 18, 1936.

⑥Reissued from Supplement No. 9, effective April 1, 1937.

JOINT PROPORTIONAL RATES

② Item No. 210-A cancels 210.

Between (except as noted)

Chicago	III.	McCook	III.
Crawford	III.	Western Ave	III.
Hodgkins (formerly Gary)	III.		

AND

junction of Intermediate Carriers named in Column Two below with Railroad named in Column One below, such junctions being within Chicago Switching District:

Column One	Column Two	Rates
① Alton R. R.		
① Atchison, Topeka & Santa Fe Ry		
Baltimore & Ohio R. R.	B. Ry. of C; B & O C T R R.	
⑤ Baltimore & Ohio Chicago Terminal R. R.		
① Belt Ry. of Chicago		
Chesapeake and Ohio Ry. of Indiana	B. Ry. of C; B & O C T R R	
Chicago & Calumet River R. R.	B & O C T R R	
Chicago & Eastern Illinois R. R.	B. Ry. of C; B & O C T R R	
Chicago & Erie R. R.	B. Ry. of C; B & O C T R R	
Chicago & North Western Ry	B. Ry. of C; B & O C T R R; I. N. Ry	
Chicago & Western Indiana R. R.	B. Ry. of C	
Chicago, Aurora & Elgin R. R.	B & O C T R R	
⑦ Chicago, Burlington & Quincy R. R.	B. Ry. of C; B & O C T R R	
Chicago Great Western R. R.	B. Ry. of C; B & O C T R R	
Chicago, Indianapolis & Louisville Ry		
Chicago, Indiana Southern R. R.	B. Ry. of C	
⑦ Chicago Junction Ry		
Chicago, Milwaukee, St. Paul & Pacific R. R.	B. Ry. of C; I. N. Ry	
C. M. St. P. & P. R. R. (Terre Haute Division)	B. & O. C. T. R. R.	
⑦ Chicago River & Indiana R. R.		
Chicago Rock Island & Pacific Ry	B. Ry. of C; B & O C T R R	
Chicago Short Line Ry	B. Ry. of C; B & O C T R R	
Chicago, South Shore & South Bend R. R.	B. Ry. of C; B & O C T R R	
Chicago, West Pullman & Southern Ry	B. Ry. of C	
Cleveland, Cincinnati, Chicago & St. Louis Ry	B. Ry. of C; I. N. Ry	
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B. Ry. of C; B & O C T R R	
Erie R. R.	B. Ry. of C; B & O C T R R	
Grand Trunk Ry.	B. Ry. of C; B & O C T R R; I. N. Ry	
⑦ Illinois Central R. R.		
⑦ Illinois Northern Ry.		
⑦ Indiana Harbor Belt R. R.		
⑦ Manufacturers Junction Ry		
Michigan Central R. R.	B. Ry. of C	
Minneapolis, St. Paul & Sault Ste. Marie Ry	B. Ry. of C; B & O C T R R; I. N. Ry	
New York Central R. R.	B. Ry. of C; B & O C T R R	
New York, Chicago & St. Louis R. R.	B. Ry. of C; B & O C T R R	
⑦ Pennsylvania R. R.		
Pere Marquette R. R.	B. Ry. of C; B & O C T R R	
Pullman R. R.	B. Ry. of C	
Wabash Ry	B. Ry. of C; B & O C T R R	

* All Freight, when point of origin and destination are within Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

② All Freight, when point of origin or destination is outside Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

① Alton R. R.	
① Atchison, Topeka & Santa Fe Ry.	
Baltimore & Ohio R. R.	B. Ry. of C; B & O. C. T. R. R.
⑦ Baltimore & Ohio Chicago Terminal R. R.	
① Belt Ry. of Chicago	
Chesapeake and Ohio Ry. of Indiana	B. Ry. of C; B & O. C. T. R. R.
Chicago & Calumet River R. R.	B. & O. C. T. R. R.
Chicago & Eastern Illinois R. R.	B. Ry. of C; B & O. C. T. R. R.
Chicago & Erie R. R.	B. Ry. of C; B & O. C. T. R. R.
Chicago & North Western Ry.	B. Ry. of C; B & O. C. T. R. R.; I. N. Ry.
Chicago & Western Indiana R. R.	B. Ry. of C.
Chicago, Aurora & Elgin R. R.	B. & O. C. T. R. R.
⑦ Chicago, Burlington & Quincy R. R.	
Chicago Great Western R. R.	B. Ry. of C; B & O. C. T. R. R.
Chicago, Indianapolis & Louisville Ry.	B. Ry. of C; B & O. C. T. R. R.
Chicago, Indiana Southern R. R.	B. Ry. of C.
⑦ Chicago Junction Ry.	
Chicago, Milwaukee, St. Paul & Pacific R. R.	B. Ry. of C; I. N. Ry.
C. M. St. P. & P. R. R. (Terre Haute Division).	B. & O. C. T. R. R.
⑦ Chicago River & Indiana R. R.	
Chicago, Rock Island & Pacific Ry.	B. Ry. of C; B & O. C. T. R. R.
Chicago Short Line Ry.	B. Ry. of C; B & O. C. T. R. R.
Chicago, South Shore & South Bend R. R.	B. Ry. of C; B & O. C. T. R. R.
Chicago, West Pullman & Southern Ry.	B. Ry. of C.
Cleveland, Cincinnati, Chicago & St. Louis Ry.	B. Ry. of C; I. N. Ry.
Elgin, Joliet & Eastern Ry. (see Note 2 below)	B. Ry. of C; B & O. C. T. R. R.
Erie R. R.	B. Ry. of C; B & O. C. T. R. R.
Grand Trunk Ry.	B. Ry. of C; B & O. C. T. R. R.; I. N. Ry.
⑦ Illinois Central R. R.	
⑦ Illinois Northern Ry.	
⑦ Indiana Harbor Belt R. R.	
⑦ Manufacturers Junction Ry.	
Michigan Central R. R.	B. Ry. of C.
Minneapolis, St. Paul & Sault Ste. Marie Ry.	B. Ry. of C; B & O. C. T. R. R.; I. N. Ry.
New York Central R. R.	B. Ry. of C; B & O. C. T. R. R.
New York, Chicago & St. Louis R. R.	B. Ry. of C; B & O. C. T. R. R.
⑦ Pennsylvania R. R.	
Pere Marquette R. R.	B. Ry. of C; B & O. C. T. R. R.
Pullman R. R.	B. Ry. of C.
Wabash Ry.	B. Ry. of C; B & O. C. T. R. R.

① All Freight, when point of origin or destination are within (1) Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

② All Freight, when point of origin or destination is outside (1) Chicago Switching District, 2 cents per 100 pounds, minimum weight 60,000 pounds.

① Chicago Switching District, definition of, see page 3 of tariff.

② Exceptions.

Baggage Cars.

Dining Cars.

Express or Mail Ca.

Railway Equipment on own wheels, viz.:

Freight Cars.

Locomotives or Tenders.

Passenger Coaches.

Sleeping Cars.

Tank Cars.

For rates on these commodities, see tariffs of Individual Carriers lawfully on file with Interstate Commerce Commission (on Interstate traffic) and with various State Commissions (on Intra-state traffic).

* Issued in compliance with order of Interstate Commerce Commission in Docket No. 19610, of July 3, 1933.

† Cancel account direct connection with C & I. W. R. R. For rates to apply, see Item 205-A.

Note 2. Rates in connection with Elgin, Joliet & Eastern Ry. apply to but not from points on that line.

‡ Issued from Supplement No. 2, effective August 12, 1935.

SUPPLEMENT No. 10 TO 530-E.

**SECTION 2
MISCELLANEOUS COMMODITY RATES**
In Cents per 100 Pounds Unless Otherwise Specified

Item No.	APPLYING ON	BETWEEN (Except as noted) FROM	AND (Except as noted) TO	RATES
265-A Cancels 265	Stone, Crushed, Rip Rap, Black Dirt and Cinders, carloads, minimum weight capacity of car, except as noted. Rates in cents per ton of 2,000 pounds.	Crawford..... Ill. Hodgkins..... Ill. McCook..... Ill.	Team tracks of Illinois Central Railroad at Chicago, 26th Street and south, Also Blue Island, Burnside, Grand Crossing, Harvey, Homewood, Kensington, Riverdale, South Chicago, West Pullman, Windsor Park.	+ 1.50 1.70
270-A Cancels 270			Team tracks of Illinois Central Railroad at Chicago, north of 26th Street, Also Berwyn, Bridgeport, Broadview, Forest Park, Hawthorne.	+ 1.50 1.70
275-A Cancels 275			Tracks serving Stadium Site near 15th Street and Lake Front, Chicago.	+ 1.50 1.70
280-A Cancels 280	Crushed Stone, carloads, minimum weight 110,000 pounds. Rates in cents per ton of 2,000 pounds. Expires with December 31, 1937.	FROM Quarries of the Consumers Co., Dolese & Shepard, and Riverside Lime and Cement Co., located at or near McCook, Ill.	TO Sewage treatment plant of the Sanitary District of Chicago at 39th Street and 52nd Ave., within the switching district of Chicago, Ill.	1.30
+ 10 285	Crushed Stone, carloads, minimum weight 100,000 pounds, shipped in open top cars not covered by tarpaulins or other protective covering. Rates in cents per ton of 2,000 pounds.	Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other railroads.	Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other railroads.	1.40

Amends page 6 of tariff.

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES

Between Stations on Chicago & Illinois Western R. R.

ITEM No.	IN CENTS PER 100 POUNDS		
	300	305	310
DISTANCES IN MILES	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.
Cancel, account no movement.			

+ Applies only on Illinois intrastate traffic.

Published to meet motor truck competition. Not subject to Agent R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148 supplements thereto or successive issues thereof.

Cancel 265	Stone, Crushed, Rip Rap, Black Dirt and Cinders, carloads, minimum weight capacity of car, except as noted. Rates in cents per ton of 2,000 pounds.	Crawford..... Ill. Hodgkins..... Ill. McCook..... Ill.	Burnside, Grand Crossing, Harvey, Homewood, Kensington, Riverdale, South Chicago, West Pullman, Windsor Park.	+0.50 50.70
270-A Cancel 270			TO Team tracks of Illinois Central Railroad at Chicago, north of 26th Street, Also Berwyn, Bridgeport, Broadview, Forest Park, Hawthorne.	+0.50 50.70
275-A Cancel 275			TO Tracks serving Stadium Site near 15th Street and Lake Front, Chicago.	+0.50 50.70
280-A Cancel 280	Crushed Stone, carloads, minimum weight 110,000 pounds. Rates in cents per ton of 2,000 pounds. Expires with December 31, 1937.	FROM Quarries of the Consumers Co., Dolese & Shepard, and Riverside Lime and Cement Co., located at or near McCook, Ill.	TO Sewage treatment plant of the Sanitary District of Chicago at 39th Street and 52nd Ave., within the switching district of Chicago, Ill.	13.30
+0.25 285	Crushed Stone, carloads, minimum weight 100,000 pounds, shipped in open top cars not covered by tarpaulins or other protective covering. Rates in cents per ton of 2,000 pounds.	Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other railroads.	Industries, Side Tracks on Chicago & Illinois Western R. R. and connections with other railroads.	18.40

Amends page 8 of tariff.

SECTION 3

Where rates are published in Section 2 the rates named in this Section on the same commodity from and to the same points via the same route will not apply.

COMMODITY RATES

Between Stations on Chicago & Illinois Western R. R.

ITEM No.	IN CENTS PER 100 POUNDS		
	300	305	310
DISTANCES IN MILES	Bran, shipstuff and shorts, in sacks, in lots of 2,000 pounds or over.	Feed, chopped or ground, in sacks, in lots of 2,000 pounds or over.	Flour, in barrels or sacks, in lots of 2,000 pounds or over.

Cancel, account no movement.

- +Applies only on Illinois intrastate traffic.
- ①Published to meet motor truck competition. Not subject to Agent R. A. Sperry's Tariff of Emergency Charges No. 67-A, I. C. C. No. 311, Ill. C. C. No. 148, supplements thereto or successive issues thereof.
- ②Issued in compliance with order of the Interstate Commerce Commission in Docket 19610, third supplemental report, of June 25, 1935.
- ③Issued in compliance with order of Interstate Commerce Commission in Docket 196101, of July 3, 1933.
- ④Applies only on Crushed Stone, carloads, minimum weight 100,000 pounds, shipped in open top cars not covered by tarpaulins or other protective covering. Published in compliance with amended order of the Interstate Commerce Commission in Docket 19610, of February 2, 1937, and orders of the Illinois Commerce Commission in Dockets 15191, 15539 (and supplemental orders thereto), 15878, 17179 and 17335 of February 11, 1937. Expires with September 30, 1938, unless sooner cancelled, changed or extended.
- ⑤Does not apply on traffic covered by reference mark ①.
- ⑥Published in compliance with amended order of Interstate Commerce Commission in Docket 19610 of February 2, 1937, and orders of the Illinois Commerce Commission in Dockets 15191, 15539 (and supplemental orders thereto), 15878, 17179 and 17335 of February 11, 1937. Expires with September 30, 1938, unless sooner cancelled, changed or extended.
- ⑦Applies only when entire movement is within Chicago switching district as described in Agent R. A. Sperry's Tariff No. 20-U, Ill. C. C. No. 161.
- ⑧Reissued from Supplement No. 10 to Ill. C. C. No. 11-A, effective April 1, 1937.
- ⑨Reissued from Supplement No. 3, effective April 29, 1936.
- ⑩Reissued from Supplement No. 9, effective April 1, 1937.



[fols. 369-371] IN UNITED STATES DISTRICT COURT

Equity. No. 15335

[Title omitted]

ORDER DENYING MOTION TO MODIFY DECREE—Filed June 13,
1938

Before Sparks, Circuit Judge, and Wilkerson and Lindley,
District Judges

Motion of plaintiff for oral argument on motion to modify
final decree denied. Motion of plaintiff to modify final de-
cree denied.

13 June, 1938.

[fol. 372] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

PETITION FOR APPEAL—Filed June 24, 1938

Chicago By-Product Coke Company, plaintiff in the above
entitled cause, feeling itself aggrieved by the final decree
entered in said cause by this Court on the 27th day of April,
1938, and by the order entered the 13th day of June, 1938,
denying the motion of plaintiff for modification of said final
decree, prays an appeal from said decree and order to the
Supreme Court of the United States.

The particulars wherein said plaintiff considers the decree
and order erroneous are set forth in the assignment of er-
rors accompanying this petition and to which reference is
hereby made.

Said plaintiff prays that a transcript of record, proceed-
ings and papers on which said decree and order were made
and entered, duly authenticated, be transmitted forthwith to
the Supreme Court of the United States.

Dated: June 22, 1938.

Nuel D. Belnap, John S. Burchmore, Solicitors for
Chicago By-Product Coke Company, Plaintiff.

[fol. 373] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

ASSIGNMENT OF ERRORS—Filed June 24, 1938

Chicago By-Product Coke Company, palintiff in the above entitled cause, now comes and files the following assignment of errors in connection with its petition for an appeal from the final decree entered by this Court on the 27th day of April, 1938, in said cause and from the further order entered June 13, 1938, denying the motion of plaintiff to modify said final decree:

The District Court erred:

1. In ordering in its final decree that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendants herein would have been payable to the plaintiff since the date of an order of interlocutory injunction entered by the Court on August 28, 1938, and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carriers on their books of account, subject to the further order of this Court, shall be retained by said carriers as a part of their general funds and said accounts canceled.

2. In failing and refusing to authorize and direct the carrier defendants herein to pay over to the plaintiff all sums which, pursuant to the terms of the published tariffs of the carrier defendants, have become due and owing to the plaintiff since the date of the said interlocutory injunction.

[fols. 374-376] 3. In entering the order of June 13, 1938, denying the motion of plaintiff to modify the final decree (a) by striking therefrom that portion of paragraph 1 of said decree which reads as follows: "and that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendants herein would have been payable to the plaintiff since the date of said interlocutory injunction and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carriers on their books of account, subject to the further order of this Court, shall be retained by said carriers as a part of their general funds and said accounts canceled," and (b) by entering its

further order directing the defendants, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, and Illinois Central Railroad Company, to account for and pay over to plaintiff all sums which have become payable pursuant to the allowance tariffs.

4. In that the final decree in substance and result sets aside and nullifies the provisions of tariffs voluntarily published by the defendant carriers and filed with the Interstate Commerce Commission, in accordance with Section 6 of the Interstate Commerce Act.

5. In that the final decree in substance and result makes effective on December 2, 1936, an order of defendant Interstate Commerce Commission although the effective date of said order was postponed to June 15, 1937, by further order of said Commission.

6. In that the decree, in authorizing and directing the carrier defendants to withhold payments to plaintiff, was not supported by any evidence or by findings of fact or conclusions of law by the Court, as required by Equity Rule 70 $\frac{1}{2}$.

Nuel D. Belnap, John S. Burchmore, Solicitors for Plaintiff.

[fols. 377-383] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

ORDER ALLOWING APPEAL—June 24, 1938

Plaintiff, having filed its petition for appeal herein, same is hereby granted and the plaintiff is hereby allowed to appeal said case, and

It is Ordered, that said appeal be, and the same is hereby, entered to the Supreme Court of the United States upon the filing of a bond by the said plaintiff in the sum of Five Hundred Dollars, with good and sufficient surety to be approved by this Court, conditioned upon said plaintiff prosecuting its appeal to effect, and answering all costs if it fail to make its appeal good.

Dated this 24th day of June, 1938.

James H. Wilkerson, United States District Judge.

[fol. 384] IN UNITED STATES DISTRICT COURT

In Equity. No. 15335

[Title omitted]

PRAECIPE FOR TRANSCRIPT OF RECORD—Filed July 19, 1938

To the Clerk of the Above-Entitled Court:

Please prepare a Transcript of the Record in the above entitled cause in the matter of the appeal therein and include in said Transcript in the order given below the following matter, viz:

1. Plaintiff's petition or bill of complaint, filed September 2, 1936.
2. Chancery subpoena to the Belt Railway Company of Chicago, Chicago & Illinois Western Railroad and Illinois Central Railroad Company, with return of service thereon, filed September 16, 1936.
3. Answer of Interstate Commerce Commission, filed September 16, 1936.
4. Answer of United States, filed September 17, 1936.
5. Appearance of Belt Railway Company of Chicago, filed September 21, 1936.
6. Order of Interlocutory Injunction, entered December 2, 1936.
7. Stipulation re consolidation of cases, filed December 2, 1936.
8. Notice of motion to set case for hearing, filed March 1, 1938.
9. Orders of the Interstate Commerce Commission, dated June 30, 1936, September 10, 1936 and February 26, 1937, in Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, received in evidence at the final hearing before the Court on April 18, 1938.
- [fols. 385-388] 10. Findings of fact and conclusions of law by the Court, entered April 27, 1938.
11. Final decree, entered April 27, 1938.
12. Notice of motion, filed May 25, 1938.
13. Motion of plaintiff to modify final decree, with appendices thereto, filed May 25, 1938.
14. Memorandum of order entered by the Court, June 13, 1938, denying motion of plaintiff for oral argument on mo-

tion to modify final decree and denying plaintiff's motion to modify final decree.

15. Plaintiff's petition for appeal.
16. Plaintiff's assignment of errors.
17. Plaintiff's statement as to jurisdiction on appeal.
18. Order allowing appeal.
19. Notice of appeal.
20. Notice pursuant to paragraph 2 of Rule 12.
21. Notice to Attorney General of Illinois.
22. Original citation on appeal.
23. All acknowledgments and admissions of service.
24. This praecipe for transcript of record.
25. Clerk's certificate.

Dated July 19, 1938.

Nuel D. Belnap, John S. Burchmore, Solicitors for
Chicago By-Product Coke Company.

Appellees, by their counsel, consent to the preparation and transmittal of the record in accordance with the foregoing praecipe and waive their right to file a counter-praecipe.

Elmer B. Collins, for the Attorney General; Edward M. Reidy, for Interstate Commerce Commission, by Earle C. Hurley, Assistant United States Attorney. J. R. Barse and Samuel Kassel, Attorney for The Belt Railway Company of Chicago.

[fols. 389-391] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 392] IN SUPREME COURT OF THE UNITED STATES

No. 227

INLAND STEEL COMPANY, a Corporation, Appellant,

v.

UNITED STATES OF AMERICA, INDIANA HARBOR BELT RAILROAD
COMPANY, INTERSTATE COMMERCE COMMISSION, Appellees

STATEMENT OF POINTS TO BE RELIED UPON AND DESIGNATION
OF THE RECORD TO BE PRINTED—Filed Aug. 5, 1938

I

Inland Steel Company, appellant, will rely upon the following points in brief and oral argument before this Court on its appeal in the above entitled cause:

The District Court erred:

1. In ordering in its final decree that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendant (appellee) herein would have been payable to the plaintiff (appellant) since the date of an order of interlocutory injunction entered by that Court on August 28, 1935, and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carrier on its books of account, subject to the further order of said Court, shall be retained by said carrier as a part of its general funds and said account cancel-ed.

2. In failing and refusing to authorize and direct the carrier appellee herein to pay over to the appellant all sums which, pursuant to the terms of the published tariffs of the carrier appellee, have become due and owing to the appellant since the date of the said interlocutory injunction.

3. In entering the order of June 15, 1938, denying the motion of appellant to modify the final decree (a) by striking therefrom that portion of paragraph 1 of said decree which reads as follows: "and that all sums, which pursuant to the [fol. 393] terms of the allowance tariffs of the carrier defendant herein would have been payable to the plaintiff since the date of said interlocutory injunction and which sums have been pursuant to the last paragraph of said inter-

locutory injunction set up by said carrier on its books of account, subject to the further order of this Court, shall be retained by said carrier as a part of its general funds and said account canceled," and (b) by entering its further order directing the appellee, Indiana Harbor Belt Railroad Company, to account for and pay over to appellant all sums which have become payable pursuant to the allowance tariff.

4. In that the final decree in substance and result sets aside and nullifies the provisions of a tariff voluntarily published by the appellee carrier and filed with the Interstate Commerce Commission, in accordance with Section 6 of the Interstate Commerce Act.

5. In that the final decree in substance and result makes effective on September 3, 1935, an order of appellee Interstate Commerce Commission, although the effective date of said order was postponed to June 15, 1937, by further order of said Commission.

6. In that the decree, in authorizing and directing the carrier appellee to withhold payments to appellant, was not supported by any evidence or by findings of fact or conclusions of law by the Court, required by Equity Rule 70 $\frac{1}{2}$.

II

Appellant further states that the entire record in this cause as filed in this Court is necessary for consideration of the foregoing points and that the entire transcript of record as transmitted by the Clerk of the District Court should be printed by the Clerk of this Court, excepting the following documents which shall be omitted from printing:

1. Stipulation re consolidation of cases, filed December 2, 1936.
2. Notice of motion to set cases for hearing, filed March 1, 1938.
- [fol. 394] 3. Notice of motion filed May 25, 1938.
4. Notice of Appeal.
5. Notice pursuant to paragraph 2 of Rule 12.
6. Notice to Attorney General of Illinois.
7. Original Citation on Appeal.
8. Bond on Appeal.

With the above exceptions the entire record on file shall be printed in the customary manner.

Appellant respectfully suggests that the record in this case shall be printed under one cover with the record in No. 228, Chicago By-Product Coke Company, Appellant, v. United States of America, et al., as a consolidated transcript of record.

Luther M. Walter, Nuel D. Belnap, John S. Burchmore, Solicitors for Inland Steel Company.

[fols. 395-396] Acknowledgment of Service

Service of a copy of the above and foregoing appellant's statement of points to be relied upon and designation of the record to be printed, is acknowledged in behalf of all appellees this 5th day of August, 1938.

Elmer B. Collins, for the Attorney General. Daniel W. Knowlton, for Interstate Commerce Commission. Leo P. Day, for Indiana Harbor Belt Railroad Company.

[fol. 397] [File endorsement omitted.]

[fol. 398] IN SUPREME COURT OF THE UNITED STATES

No. 228

CHICAGO BY-PRODUCT COKE COMPANY, a Corporation, Appellant,

v.

UNITED STATES OF AMERICA, INTERSTATE COMMERCE COMMISSION, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, Illinois Central Railroad Company, Appellees

STATEMENT OF POINTS TO BE RELIED UPON AND DESIGNATION OF THE RECORD TO BE PRINTED—Filed August 5, 1938

I

Chicago By-Product Coke Company, appellant, will rely upon the following points in brief and oral argument before this Court on its appeal in the above-entitled cause:

The District Court erred:

1. In ordering in its final decree that all sums, which pursuant to the terms of the allowance tariffs of the carrier

defendants (appellees) herein, would have been payable to the plaintiff (appellant) since the date of an order of interlocutory injunction entered by said Court on December 2, 1936, and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carriers on their books of account, subject to the further order of said Court, shall be retained by said carriers as a part of their general funds and said accounts canceled.

2. In failing and refusing to authorize and direct the carrier appellees herein to pay over to the appellant all sums which, pursuant to the terms of the published tariffs of said carriers, have become due and owing to the appellant since the date of the said interlocutory injunction.

3. In entering the order of June 13, 1938, denying the motion of appellant to modify the final decree (a) by striking [fol. 399] therefrom that portion of paragraph 1 of said decree which reads as follows: "and that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendants herein would have been payable to the plaintiff since the date of said interlocutory injunction and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carriers on their books of account, subject to the further order of this Court, shall be retained by said carriers as a part of their general funds and said accounts canceled," and (b) by entering its further order directing the appellees, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, and Illinois Central Railroad Company, to account for and pay over to appellant all sums which have become payable pursuant to the allowance tariffs.

4. In that the final decree in substance and result sets aside and nullifies the provisions of tariffs voluntarily published by the carriers and filed with the Interstate Commerce Commission, in accordance with Section 6 of the Interstate Commerce Act.

5. In that the final decree in substance and result makes effective on December 2, 1936, an order of the Interstate Commerce Commission although the effective date of said order was postponed to June 15, 1937, by further order of said Commission.

6. In that the decree, in authorizing and directing the carrier appellees to withhold payments to appellant, was not supported by any evidence or by findings of fact or conclusions of law by the Court, as required by Equity Rule 70½.

II

Appellant further states that the entire record in this cause as filed in this Court is necessary for consideration of the foregoing points and that the entire transcript of record as transmitted by the Clerk of the District Court should be printed by the Clerk of this Court, excepting the following documents which shall be omitted from printing:

1. Stipulation re consolidation of cases, filed December 2, 1936.
2. Notice of motion to set cases for hearing, filed March 1, 1938.
3. Notice of motion filed May 25, 1938.
4. Notice of appeal.
- [fol. 400] 5. Notice pursuant to paragraph 2 of Rule 12.
6. Notice to Attorney General of Illinois.
7. Original Citation on Appeal.
8. Bond on Appeal.

With the above exceptions the entire record on file shall be printed in the customary manner.

III

Appellant respectfully suggests that it may serve the convenience of the Court and will save printing expense if the record in this case may be printed under one cover with the record in No. 227, Inland Steel Company, Appellant, v. United States of America, et al., as a consolidated transcript of record. This was done, under somewhat similar circumstances, in Nos. 514 and 530, at the October term, 1937, United States v. Pan American Petroleum Corporation, et al., and United States v. Humble Oil & Refining Company, et al.

If the two records are reproduced as one printed transcript of record, the following further portions of the record in this case No. 228, will not need to be printed, as being duplications of the record to be printed in No. 227:

Appendix A to plaintiff's petition or bill of complaint, comprising pages 21 to 89 of said printed petition; (Appendix B to said petition to be printed.)

Findings of fact and conclusions of law by the Court, entered April 27, 1938.

Luther M. Walter, Nuel D. Belnap, John S. Burchmore, Solicitors for Chicago By-Product Coke Company.

Acknowledgment of Service

Service of a copy of the above and foregoing appellant's statement of points to be relied upon and designation of the [fols. 401-402] record to be printed, is acknowledged in behalf of appellees this 5th day of August, 1938.

Elmer B. Collins, for the Attorney General. Daniel W. Knoulton, for Interstate Commerce Commission. J. R. Barse, for The Belt Railway Company of Chicago. Elmer A. Smith, for Illinois Central Railroad Company and Chicago & Illinois Western Railroad.

[fol. 403] [File endorsement omitted.]

Endorsed on covers: File No. 42,712. N. Illinois, D. C. U. S. Term No. 227. Inland Steel Company, appellant, vs. The United States of America, Interstate Commerce Commission and Indiana Harbor Belt Railroad Company. Filed July 28, 1938. Term No. 227, O. T., 1938. File No. 42,713. N. Illinois, D. C. U. S., Term No. 228. Chicago By-Product Coke Company, appellant, vs. The United States of America, Interstate Commerce Commission, The Belt Railway Company of Chicago, et al. Filed July 28, 1938. Term No. 228, O. T., 1938.

(8482)

FILE COPY

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1938

Office - Supreme Court, U. S.

FILED

NOV 28 1938

**CHARLES ELMORE CROPLEY
CLERK**

No. 227

INLAND STEEL COMPANY,

Appellant,

vs.

**THE UNITED STATES OF AMERICA, INTERSTATE
COMMERCE COMMISSION AND INDIANA HARBOR
BELT RAILROAD COMPANY.**

**APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR
THE NORTHERN DISTRICT OF ILLINOIS.**

STATEMENT AS TO JURISDICTION.

**NUEL D. BELNAP,
JOHN S. BURCHMORE,
*Counsel for Appellant.***



INDEX.

SUBJECT INDEX.

	Page
Statement as to jurisdiction	1
Statutory provisions sustaining jurisdiction	2
Decree and appeal	3
Nature of the case and ruling of the District Court	3
Cases sustaining jurisdiction	6

TABLE OF CASES CITED.

<i>Beaumont, Sour Lake & Western Railroad Co. v. United States</i> , 282 U. S. 74, 75 L. Ed. 221	6
<i>Florida East Coast R. Co. v. United States</i> , 234 U. S. 167, 58 L. Ed. 1267	6
<i>Inland Steel Company Terminal Allowances</i> , 209 I. C. C. 747	3
<i>Interstate Commerce Commission v. Union Pacific Ry. Co.</i> , 222 U. S. 541, 56 L. Ed. 308	6
<i>Los Angeles Switching Case</i> , 234 U. S. 294, 58 L. Ed. 1319	6
<i>Louisville & G. R. Co. v. United States</i> , 242 U. S. 60, 61 L. Ed. 152	6
<i>Manufacturers R. Co. v. United States</i> , 246 U. S. 457, 62 L. Ed. 831	6
<i>Merchants Warehouse Co. v. United States</i> , 284 U. S. 501, 75 L. Ed. 1229	6
<i>New England Divisions Case</i> , 261 U. S. 184, 67 L. Ed. 605	6
<i>Seaboard Air Line Ry. Co. v. United States</i> , 254 U. S. 57, 65 L. Ed. 129	6
<i>Skinner & Eddy Corp. v. United States</i> , 249 U. S. 557, 63 L. Ed. 772	6
<i>United States et al. v. American Sheet & Tin Plate Co. et al.</i> , 301 U. S. 402	3, 4, 5, 6

	Page
<i>United States et al. v. Pan American Petroleum Corp. et al.</i> , 82 L. Ed. 784	6
<i>Virginian Railway Co. v. United States</i> , 272 U. S. 658, 71 L. Ed. 463	6

STATUTES CITED.

Act of Congress of October 22, 1913 (38 Stat. L. 219; 28 U. S. C. A. Sec. 41, Subd. (28) and Sections 45, 46, 47)	3
Interstate Commerce Act, Sections 6 and 15	5
United States Code Annotated, Title 28, Sections 44, 45a, 46, 47, 47a and 48	2
United States Code Annotated, Title 28, Sec. 345 (Chap. 426, 48 Stat. L. 926)	2

**IN THE
DISTRICT COURT OF THE UNITED STATES FOR THE
NORTHERN DISTRICT OF ILLINOIS EASTERN
DIVISION**

IN EQUITY.

No. 14738

INLAND STEEL COMPANY,

Plaintiff,

vs.

**UNITED STATES OF AMERICA, INDIANA HARBOR
BELT RAILROAD COMPANY, INTERSTATE COM-
MERCE COMMISSION,**

Defendants.

ON APPEAL TO THE SUPREME COURT OF THE UNITED STATES.

STATEMENT AS TO JURISDICTION ON APPEAL.

The appellant, in support of jurisdiction of the Supreme Court of the United States to review the above entitled case

on appeal and in compliance with Rule 12 of the Rules of the Supreme Court, respectfully represents:

(A) Statutory Provisions Sustaining Jurisdiction.

It is provided in Title 28, U. S. C. A., Sections 46 and 47 (Chapter 32, 38 Stat. L. 220), that an action may be brought to set aside, in whole or in part, any order made or entered by the Interstate Commerce Commission by petition to any District Court of the United States, and that the judge of such District Court shall immediately call to his assistance to hear and determine the matter two other judges, one of whom shall be a Circuit Judge. It is also provided that an appeal may be taken direct to the Supreme Court of the United States.

Section 44 in the same chapter and title, provides that the procedure in respect to suits (a) for the enforcement of and (b) to enjoin or suspend an order of the Interstate Commerce Commission, shall be as provided in Sections 45, 45a, 47, 47a and 48 of that Title.

Section 47a in the same title and chapter then provides as follows:

“A final judgment or decree of the district court in the cases specified in section 44 of this title may be reviewed by the Supreme Court of the United States if appeal to the Supreme Court be taken by an aggrieved party within sixty days after the entry of such final judgment or decree, and such appeals may be taken in like manner as appeals are taken under existing law in equity cases.”

It is also provided by Section 345 of Title 28 (Chap. 426, 48 Stat. L. 926), that a direct review by the Supreme Court of an interlocutory or final judgment or decree of a district court may be had in certain classes of cases, including:

“suits to enforce, suspend, or set aside orders of the Interstate Commerce Commission other than for the payment of money.”

(B) Decree and Appeal.

The decree sought to be reviewed herein was entered April 27, 1938. A motion to modify said decree was received by the Court on May 25, 1938; and said motion was denied by an order of the Court dated June 13, 1938.

The petition for appeal was filed and order allowing the appeal was entered June 24, 1938.

(C) Nature of the Case and Ruling of the District Court.

This suit was brought by the appellant, Inland Steel Company, under authority of an Act approved October 22, 1913 (38 Stat. L. 219; 28 U. S. C. A., Sec. 41, Subd. (28) and Sections 45, 46, 47), to enjoin, set aside, and annul a report and order entered by the Interstate Commerce Commission on July 11, 1935, in a proceeding known as *Ex Parte 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services*, said report and order being subtitled Nineteenth Supplemental Report of the Commission, *Inland Steel Company Terminal Allowance*, 209 I. C. C. 747.

The order attached to this supplemental report is similar to others made in the same underlying proceeding and approved by the Supreme Court in *United States v. American Sheet & Tin Plate Co.*, 301 U. S. 402. It originally required the Indiana Harbor Belt Railroad Company to cease and desist on or before September 3, 1935, and thereafter to abstain from the practice which it had previously followed for many years of paying an allowance of \$1.85 per car to the Inland Steel Company for performing the service of switching cars between the interchange tracks and the loading and unloading platforms at that industry, which practice was found preferential in said supplemental report. The effective date of the cease and desist order was post-

poned by the Commission to June 15, 1937, by order subsequently entered.

Defendant Indiana Harbor Belt Railroad Company filed with the Commission on August 1, 1935, a tariff supplement, effective September 3, 1935, (later withdrawn) canceling the provision for said allowance, in compliance with the Commission's aforesaid order.

Plaintiff's petition to the District Court to set aside the Commission's order was filed August 5, 1935. Defendants United States and Interstate Commerce Commission filed answers to the petition. No answer was filed or appearance entered herein by the carrier defendant. On August 28, 1935, after hearing, upon statutory notice to the proper parties, an interlocutory injunction was entered by the statutory three-judge court, restraining enforcement of the above order and suspending the operation of the aforesaid cancellation supplement to the allowance tariff. By the terms of this injunction it was provided that any and all sums due and payable to plaintiff by virtue of said allowance tariff should be set up by the defendant Indiana Harbor Belt Railroad Company on its books of account, to be paid over to plaintiff, or canceled, only upon further order of said Court; and counsel for appellant agreed to this arrangement, without prejudice.

Thereafter, the carrier defendant filed a new tariff supplement restoring the provision for the allowance to plaintiff.

On April 27, 1938, the District Court entered its final decree dismissing the suit for want of equity and made its findings of fact and conclusions of law. The District Court sustained the Commission's order upon the authority of *United States v. American Sheet & Tin Plate Co.*, 301 U. S.

402, and found that the evidence of record before the Commission was sufficient to support its findings and order.

In its final decree the Court further ordered in substance that all sums which had been set up on the carrier's books of account pursuant to the interlocutory injunction, as due and owing under the allowance tariff, should be retained by said carrier in its general funds and said accounts canceled. The Court made no findings of fact or conclusions of law in support of or bearing upon this phase of its decree.

On May 25, 1938, appellant filed with the District Court its motion to modify its final decree. After receiving briefs upon said motion, the District Court denied the motion by order issued June 13, 1938.

This appeal presents the question of the power of the specially constituted three-judge Court to set aside and nullify the terms of a formal tariff, legally published and filed with the Interstate Commerce Commission which is of binding force under Sections 6 and 15 of the Interstate Commerce Act, to which sections such tariff conforms. Also involved is the power of the Court to enforce a cease and desist order of the Commission, retroactively, in advance of the date upon which, by its own terms, the order became effective. The further question presented on this appeal is the power of such Court to provide in its decree for the enforcement of an order of the Interstate Commerce Commission in a suit to set aside and restrain said order, when such enforcement is not sought by the pleadings and was not prayed for in any cross petition. These questions have not been settled by previous decisions of the Court. It is submitted that they are novel and are substantial and important.

(D) Cases Sustaining Jurisdiction.

The following decisions of the Supreme Court of the United States are believed to sustain jurisdiction on this appeal:

- United States et al. v. American Sheet & Tin Plate Co. et al.*, 301 U. S. 402;
United States et al. v. Pan American Petroleum Corp. et al., 82 L. Ed. 784;
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Beaumont, Sour Lake & Western Railroad Co. v. United States, 282 U. S. 74, 75 L. Ed. 221;
New England Divisions Case, 261 U. S. 184, 67 L. Ed., 605;
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Interstate Commerce Commission v. Union Pacific Ry. Co., 222 U. S. 541, 56 L. Ed., 308;
Florida East Coast R. Co. v. United States, 234 U. S. 167, 58 L. Ed. 1267;
Manufacturers R. Co. v. United States, 246 U. S. 457, 62 L. Ed. 831;
Skinner & Eddy Corp. v. United States, 249 U. S. 557, 63 L. Ed. 772;
Seaboard Air Line Ry. Co. v. United States, 254 U. S. 57, 65 L. Ed. 129;
The Los Angeles Switching Case, 234 U. S. 294, 58 L. Ed. 1319;
Merchants Warehouse Co. v. United States, 284 U. S. 501, 75 L. Ed. 1229.

Dated June 22, 1938.

NUEL D. BELNAP,
 JOHN S. BURCHMORE,
Solicitors for Inland Steel Company.

(6784)



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NO. 28 1200

SUPREME COURT OF THE UNITED

STATES
CLERK

OCTOBER TERM, 1902

No. 228

CHICAGO BY-PRODUCT COKE COMPANY,

Appellant,

vs.

**THE UNITED STATES OF AMERICA, INTERSTATE
COMMERCE COMMISSION AND THE BELT RAIL-
WAY COMPANY OF CHICAGO ET AL.**

**APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR
THE NORTHERN DISTRICT OF ILLINOIS.**

STATEMENT AS TO JURISDICTION.

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JOHN S. BURCHMORE,
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INDEX.

SUBJECT INDEX.

	Page
Statement as to jurisdiction	1
Statutory provisions sustaining jurisdiction	2
Decree and appeal	3
Nature of the case and ruling of the District Court	3
Cases sustaining jurisdiction	6

TABLE OF CASES CITED.

<i>Beaumont, Sour Lake & Western Railroad Co. v. United States</i> , 282 U. S. 74, 75 L. Ed. 221	6
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<i>Florida East Coast R. Co. v. United States</i> , 234 U. S. 167, 58 L. Ed. 1267	6
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<i>Los Angeles Switching Case</i> , 234 U. S. 294, 58 L. Ed. 1319	7
<i>Louisville & G. R. Co. v. United States</i> , 242 U. S. 60, 61 L. Ed. 152	6
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	Page
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United States Code Annotated, Title 28, Sections 44, 45a, 46, 47, 47a and 48	2
United States Code Annotated, Title 28, Sec. 345 (Chap. 426, 48 Stat. L. 926)	2

IN THE
DISTRICT COURT OF THE UNITED STATES FOR THE
NORTHERN DISTRICT OF ILLINOIS EASTERN
DIVISION

IN EQUITY.

No. 15335

CHICAGO BY-PRODUCT COKE COMPANY,

vs.

Plaintiff,

UNITED STATES OF AMERICA, INTERSTATE COM-
MERCE COMMISSION, THE BELT RAILWAY COM-
PANY OF CHICAGO, CHICAGO & ILLINOIS WEST-
ERN RAILROAD, ILLINOIS CENTRAL RAILROAD
COMPANY,

Defendants.

ON APPEAL TO THE SUPREME COURT OF THE UNITED STATES.

STATEMENT AS TO JURISDICTION ON APPEAL.

The appellant, in support of jurisdiction of the Supreme Court of the United States to review the above entitled

case on appeal and in compliance with Rule 12 of the Rules of the Supreme Court, respectfully represents:

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(B) Decree and Appeal.

The decree sought to be reviewed herein was entered April 27, 1938. A motion to modify said decree was received by the Court on May 25, 1938; and said motion was denied by an order of the Court dated June 13, 1938.

The petition for appeal was filed and order allowing the appeal was entered June 24, 1938.

(C) Nature of the Case and Ruling of the District Court.

This suit was brought by the appellant, Chicago By-Product Coke Company, under authority of an Act approved October 22, 1913 (38 Stat. L. 219; 28 U. S. C. A. Sec. 41, Subd. (28) and Sections 45, 46, 47), to enjoin, set aside, and annul a report and order entered by the Interstate Commerce Commission on May 28, 1936, in a proceeding known as *Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services*, said report and order being subtitled Fifty-Sixth Supplemental Report of the Commission, *Chicago By-Product Coke Company Terminal Allowances*, 216 I. C. C. 8.

The order attached to this supplemental report is similar to others made in the same underlying proceeding and approved by the Supreme Court in *United States v. American Sheet & Tin Plate Co.*, 301 U. S. 402. It originally required the carrier defendants to cease and desist on or before July 17, 1936, and thereafter to abstain from the practice which they had previously followed for many years of paying an allowance of \$1.85 per car to the Chicago By-Product Coke Company for performing the service of switching cars between the interchange tracks and the loading and unload-

ing platforms at that industry, which practice was found preferential in said supplemental report. The effective date of the cease and desist order was postponed by the Commission to June 15, 1937, by orders subsequently entered on June 30, 1936, September 10, 1936, and February 26, 1937.

On June 10, 1936, The Belt Railway Company of Chicago published a tariff supplement canceling the allowance in conformity with the cease and desist order of the Interstate Commerce Commission, then to be effective July 17, 1936. Thereafter, and pursuant to the above mentioned order of the Commission postponing the effective date of its original order, the Belt Railway Company of Chicago filed further supplements postponing the cancellation of the allowance tariff down to the present time.

Similarly, on April 16, 1936, the Chicago & Illinois Western Railway published a tariff supplement canceling the allowance in conformity with the cease and desist order of the Interstate Commerce Commission, effective July 17, 1936. Thereafter, and pursuant to the above mentioned order of the Commission postponing the effective date of its original order, the Chicago & Illinois Western Railway filed further supplements postponing the cancellation of the allowance tariffs down to the present time.

Meanwhile, plaintiff's petition to the District Court to set aside the Commission's order was filed September 2, 1936. Defendants United States and Interstate Commerce Commission filed answers to the petition. No answers were filed herein by the carrier defendants. On December 2, 1936, after hearing, upon statutory notice to the proper parties, an interlocutory injunction was entered by the statutory three-judge court, restraining enforcement of the above order and suspending the operation of the aforesaid cancellation supplements to the allowance tariffs. By the terms of this injunction, it was provided that any and all

sums due and payable to plaintiff by virtue of said allowance tariffs should be set up by the defendants on their books of account, to be paid over to plaintiff, or canceled, only upon further order of said court; and counsel for appellant agreed to this arrangement, without prejudice.

On April 27, 1938, the District Court entered its final decree dismissing the suit for want of equity and made its findings of fact and conclusions of law. The District Court sustained the Commission's order upon the authority of *United States v. American Sheet & Tin Plate Co.*, 301 U. S. 402, and found that the evidence of record before the Commission was sufficient to support its findings and order.

In its final decree the court further ordered in substance that all sums which had been set up on the carriers' books of account pursuant to the interlocutory injunction, as due and owing under the allowance tariffs, should be retained by said carriers in their general funds and said accounts canceled. The court made no findings of fact or conclusions of law in support of or bearing upon this phase of its decree.

On May 25, 1938, appellant filed with the District Court its motion to modify its final decree. After receiving briefs upon said motion, the District Court denied the motion by order issued June 13, 1938.

This appeal presents the question of the power of the specially constituted three-judge court to set aside and nullify the terms of a formal tariff, legally published and filed with the Interstate Commerce Commission which is of binding force under Sections 6 and 15 of the Interstate Commerce Act, to which sections such tariff conforms. Also involved is the power of the court to enforce a cease and desist order of the Commission, retroactively, in advance of the date upon which, by its own terms, the order became effective. The further question presented on this appeal

is the power of such court to provide in its decree for the enforcement of an order of the Interstate Commerce Commission in a suit to set aside and restrain said order, when such enforcement is not sought by the pleadings and was not prayed for in any cross petition. These questions have not been settled by previous decisions of the Court. It is submitted that they are novel and are substantial and important.

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The following decisions of the Supreme Court of the United States are believed to sustain jurisdiction on this appeal:

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- Virginian Railway Co. v. United States*, 272 U. S. 658, 71 L. Ed. 463;
- Beaumont, Sour Lake & Western Railroad Co. v. United States*, 282 U. S. 74, 75 L. Ed. 221;
- New England Divisions Case*, 261 U. S. 184, 67 L. Ed. 605;
- Louisville & G. R. Co. v. United States*, 242 U. S. 60, 61 L. Ed. 152;
- Interstate Commerce Commission v. Union Pacific Ry. Co.*, 222 U. S. 541, 56 L. Ed. 308;
- Florida East Coast R. Co. v. United States*, 234 U. S. 167, 58 L. Ed. 1267;
- Manufacturers R. Co. v. United States*, 246 U. S. 457, 62 L. Ed. 831;
- Skinner & Eddy Corp. v. United States*, 249 U. S. 557, 63 L. Ed. 772;
- Seaboard Air Line Ry. Co. v. United States*, 254 U. S. 57, 65 L. Ed. 129;

The Los Angeles Switching Case, 234 U. S. 294, 58 L. Ed. 1319;

Merchants Warehouse Co. v. United States, 284 U. S. 501, 75 L. Ed. 1229.

Dated June 22, 1938.

NUEL D. BELNAP,

JOHN S. BURCHMORE,

Solicitors for Chicago By-Product Coke Company.

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CHARLES EMMORE BROPLEY
CLERK

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1938.

—
No. 227.

INLAND STEEL COMPANY, *Appellant*,

v.

THE UNITED STATES OF AMERICA, INTERSTATE COMMERCE
COMMISSION AND INDIANA HARBOR BELT RAILROAD COM-
PANY.

—
No. 228.

CHICAGO BY-PRODUCT COKE COMPANY, *Appellant*,

v.

THE UNITED STATES OF AMERICA, INTERSTATE COMMERCE
COMMISSION, THE BELT RAILWAY COMPANY OF CHI-
CAGO, ET AL.

—
Appeals from the District Court of the United States for
the Northern District of Illinois.

—
BRIEF FOR APPELLANTS.
—

NUEL D. BELNAP,
JOHN S. BURCHMORE,
Solicitors for Appellants.

December 12, 1938.

SUBJECT INDEX

	Page
Opinion of the Court below	1
Jurisdiction	2
Statutes involved	2
Statement of the case	2
Specification of assigned errors urged herein	7
Points and authorities	8
Summary of argument	9
Argument	10
I. The District Court exceeded its jurisdiction	12
II. The decrees are not supported by any evidence or by requisite findings of fact and conclusions of law	13
III. The District Court has no power to vary the terms of a tariff	14
IV. The allowances are not rebates which the Court might properly order withheld	17
V. The District Court had no power to enforce retro- actively a cease and desist order of the Commis- sion	20
American Sugar Refining Case	22
VI. The principle of restitution has no application to these cases	24
VII. The decrees of the District Court are contrary to equity and good conscience	27
Appendix	30

CASES CITED

American Sugar Refining Co. v. D., L. & W. R. Co., 207 F. 733	9, 19, 22
Atlantic Coast Line R. Co. v. Florida, 295 U. S. 301; 79 L. ed. 1451	25
Baltimore & Ohio R. Co. v. United States, 279 U. S. 781; 73 L. ed. 954	25

	Page
Chicago, B. & Q. R. Co. v. Merriam & Millard Co., 297	
F. 1	9, 20
Chicago By-Product Coke Company Terminal Allow-	
ances, 216 I. C. C. 8	4
Ex Parte 104, Part II, 209 I. C. C. 11	3, 28
Famechon v. Northern Pac. R. Co., 23 F. (2d) 307	9, 20
Gulf C. & S. F. R. Co. v. Heffy, 158 U. S. 98; 39 L. ed.	
910	8, 16
Inland Steel Company Terminal Allowance, 209 I. C. C.	
747	3
J. C. Famechon v. Northern Pac. R. Co., 23 F. (2d)	
307	9, 20
Keogh v. Chicago & N. W. Ry. Co., 260 U. S. 155; 67	
L. ed. 183	8, 14
Mitchell Coal & C. Co. v. Pennsylvania R. Co., 230 U. S.	
247; 57 L. ed. 1472	8, 19
North American Co. v. St. Louis & S. F. Ry. Co., 288	
F. 612	9, 24
Pan American Petroleum Corp. v. United States, 304	
U. S. 156; 82 L. ed. 784	11, 19, 22
Pennsylvania R. Co. v. International Coal Min. Co., 230	
U. S. 184, 57 L. ed. 1447	8, 15
Poor Grain Co. v. C., B. & Q. Ry. Co., 12 I. C. C. 418 ..	8, 15
Practices of Carriers Affecting Operating Revenues or	
Expenses, 209 I. C. C. 11	3, 28
Robinson v. Baltimore & O. R. Co., 222 U. S. 507; 56	
L. ed. 288	9, 20
Shellman v. Shellman, 95 F. (2d) 108	13
Southern R. Co. v. Tift, 206 U. S. 428; 51 L. ed. 1124 ..	9, 20
Texas & Pacific Ry. Co. v. Abilene Cotton Oil Co., 204	
U. S. 425; 51 L. ed. 553	8, 19, 20
Texas & Pacific Ry. Co. v. Mugg, 202 U. S. 242; 50 L. ed.	
1011	8, 16
United States v. American Sheet & Tin Plate Co., 301	
U. S. 402; 81 L. ed. 1186	11, 12, 18, 22
United States v. Baltimore & O. R. Co., 284 U. S. 195;	
76 L. ed. 243	9, 22

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1938.

No. 227.

INLAND STEEL COMPANY, *Appellant*,

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THE UNITED STATES OF AMERICA, INTERSTATE COMMERCE
COMMISSION AND INDIANA HARBOR BELT RAILROAD COM-
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CHICAGO BY-PRODUCT COKE COMPANY, *Appellant*,

v.

THE UNITED STATES OF AMERICA, INTERSTATE COMMERCE
COMMISSION, THE BELT RAILWAY COMPANY OF CHI-
CAGO, ET AL.

Appeals from the District Court of the United States for
the Northern District of Illinois.

BRIEF FOR APPELLANTS.

OPINION OF THE COURT BELOW.

The opinion of the District Court has been reported in
23 F. Supp. 291 and is set out in full at pages 81-92 of the
printed record. Appellants' motions to modify the Court's
decrees were denied without opinion and the orders denying
the motions are set out on pages 101 and 175 of the printed
record.

JURISDICTION.

Paragraph 1 of Rule 12 has been complied with and on October 10, 1938, this Court entered orders noting probable jurisdiction.

STATUTES INVOLVED.

In conformity with Rule 27, the language of those sections of the Interstate Commerce Act which are involved in this appeal is set forth in full in an appendix hereto.

STATEMENT OF THE CASE.

These are direct appeals from the final decrees entered by a statutory three judge court sitting in the Northern District of Illinois, and from the subsequent orders of that court denying appellants' motions to modify those final decrees. The two cases were taken on final hearing at the same time and the two decrees (R. 93, 135) and orders denying appellants' motions for modification (R. 101, 175) are, in terms and conditions, identical. The findings of fact and conclusions of law of the District Court were reported together under one title (R. 81-92); the two appeals which were prayed and allowed are presented on separate records, which have been printed under one cover.

There is no relationship or privity between the two appellants, and the cases are covered by one brief and will be argued together for convenience and brevity only.

Appellants own and operate two industrial plants which are served by the railroads named as appellees herein. These carriers, instead of themselves doing the work of switching and spotting cars at the loading and unloading points within appellants' plants, have for many years employed appellants to do this work and, in return therefor, have published in tariffs filed with the Interstate Commerce Commission specific allowances out of the established freight rates, as authorized in paragraph 13 of section 15 of the Interstate Commerce Act. Typical of these tariffs is that of the Indiana Harbor Belt Railroad Company, which

was published to become effective April 15, 1933, and provided (R. 98):

"On all carload shipments (including trap cars containing 6,000 pounds or more of less carload freight) destined to or coming from the plant of the Inland Steel Company at Indiana Harbor, Ind., the terminal switching service is performed by the Inland Steel Company for account of the Indiana Harbor Belt Railroad Company. Such terminal switching service, for which this allowance is made, consists of the handling of the cars between the point of interchange of such cars with this company and the point at which such cars are unloaded or the point at which such cars are loaded in said plant.

"For such terminal service performed for the Indiana Harbor Belt Railroad Company by the Inland Steel Company at Indiana Harbor, Ind., the Inland Steel Company will be allowed \$1.85 per loaded car which will include the handling of the empty cars in the reverse direction.

"This allowance is not in excess of the average actual cost of the service as disclosed in a joint study of the operation of the plant facility made during the year 1927, and filed with Interstate Commerce Commission."

In 1931, the Interstate Commerce Commission instituted on its own motion an investigation into the aforementioned practice, which at that time was widespread, in a proceeding known as *Ex Parte 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services*. Subsequently, the Commission entered its report, 209 I. C. C. 11 (R. 14), wherein the Commission reviewed the facts and announced its views as to the practices which it regarded as proper. No order was attached to this report, but in fifty-seven separate supplemental reports, issued during the ensuing year, the Commission dealt specifically with the situation at individual industrial plants and entered orders directed thereto. Among these were the following reports affecting the appellants:

Inland Steel Company Terminal Allowance, 209 I. C. C. 747 (R. 66).

Chicago By-Product Coke Company Terminal Allowances, 216 I. C. C. 8. (R. 118.)

In each of these reports, the Commission found that the movement of cars for which the railroads had been paying the appellants was beyond the duty of the railroads to perform under the established rates, and that therefore by the payment of allowances for that service the carriers provided the means by which the respective industries enjoyed a preferential service not accorded to shippers generally.

To these supplemental reports were attached orders requiring the three railroads for the future to cease paying the allowances to the respective appellants. (R. 70, 124.)

CHICAGO BY-PRODUCT COKE COMPANY.

The order affecting appellant in No. 228, Chicago By-Product Coke Company, was entered by the Commission on May 28, 1936, originally to become effective July 17, 1936. (R. 124) In compliance therewith, the two carrier defendants¹ published supplements to their tariffs, canceling the allowances in conformity with the Commission's cease and desist order. (R. 142, 161)

On June 30, 1936, however, before the cease and desist order became effective, the Commission entered an order postponing the effective date thereof, until October 15, 1936; the carriers correspondingly immediately published further supplements postponing the cancellation of the allowance tariffs, and leaving them in effect. (R. 143, 164) Thereafter, appellant, Chicago By-Product Coke Company, filed its petition in the District Court on September 2, 1936, to enjoin, set aside and annul the aforesaid report and order of the Commission. (R. 105)

¹ Belt Railway of Chicago and Chicago & Illinois Western, a subsidiary of the Illinois Central. The Illinois Central itself has not served the plant (R. 136).

Immediately thereafter, on September 10, 1936, to maintain the *status quo*, the Commission further postponed the effective date of its cease and desist order, (R. 133) and the carriers further postponed the cancellation of the allowances. (R. 144, 165)

On December 2, 1936, a statutory District Court of three judges, after hearing upon the application of appellant for an interlocutory injunction, entered such an injunction providing (R. 131):

"Now, therefore, *it is ordered* that during the pendency of this matter the United States of America and the Interstate Commerce Commission be and they are hereby restrained and enjoined from taking any steps for the enforcement and execution of the aforesaid report and order entered the 28th day of May, 1936, in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, insofar as the same apply to plaintiff, Chicago By-Product Coke Company, and the said report and order are suspended, stayed, and set aside, pending the further order of the court.

"*It is further ordered*, That until the further order of the Court, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, and Illinois Central Railroad Company are authorized and directed to withhold payments of the allowances covered by their tariffs to the plaintiff, Chicago By-Product Coke Company."

On February 26, 1937, the Commission entered a further and final order postponing the effective date of the cease and desist order to June 15, 1937. (R. 133) In the meantime, by further supplements to the allowance tariffs, the carrier defendants maintained the application of the original allowance tariffs either by postponing the cancellation thereof or by republishing the tariffs. (R. 144-145, 168)

INLAND STEEL COMPANY.

The cease and desist order of the Commission dealing with the plant of appellant in No. 227, Inland Steel Company, was entered July 11, 1935, to become effective September 3, 1935. (R. 71) Appellant filed its petition in the District Court on August 5, 1935, (R. 1) and on August 28, 1935, the statutory District Court of three judges entered an injunction restraining the enforcement of the Commission's cease and desist order. (R. 78-80)

On February 26, 1937, the Commission entered a further order (R. 96) postponing the effective date of its cease and desist order involved in No. 227 to June 15, 1937, the same date upon which the cease and desist order in No. 228 was finally to become effective. (R. 80) Likewise, the Indiana Harbor Belt Railway Company, sole carrier involved in No. 227, which had previously published a cancellation supplement to the condemned allowance tariff in conformity with the Commission's cease and desist order, (R. 99) filed a further supplement postponing the cancellation of the allowance tariff indefinitely. (R. 100)

The cases were taken on final hearing at the same time and on April 27, 1938, the District Court entered final decrees setting aside the interlocutory injunctions and dismissing the bills of complaint for want of equity. The decrees further provided that the carrier defendants should retain all sums which became payable under the terms of the allowance tariffs and which were set up by the carriers on their books of account pursuant to the interlocutory injunctions. (R. 93, 135)

On May 25, 1938, appellants filed with the District Court two similar motions to modify these final decrees insofar as they directed the carriers to retain the allowances set up on their accounts. (R. 94, 136) These motions were submitted on brief and were both denied without opinion by orders dated June 13, 1938. (R. 101, 175)

SPECIFICATION OF ASSIGNED ERRORS URGED HEREIN.

The following assignments of error are relied upon. (R. 180-5)

The Court erred:

1. In ordering in its final decrees that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendants (appellees) herein would have been payable to the plaintiffs (appellants) since the date of the orders of interlocutory injunction entered by that Court and which sums have been, pursuant to the last paragraph of said interlocutory injunctions, set up by said carriers on their books of account, subject to the further order of said Court, shall be retained by said carriers as a part of their general funds and said accounts cancelled.

2. In failing and refusing to authorize and direct the carrier appellees herein to pay over to the appellants all sums which, pursuant to the terms of the published tariffs of the carrier appellees, have become due and owing to the appellants since the date of the said interlocutory injunction.

3. In entering the order of June 13, 1938, denying the motions of appellants to modify the final decrees (a) by striking therefrom that portion of paragraph 1 of said decree which reads as follows: "and that all sums, which pursuant to the terms of the allowance tariffs of the carrier defendant herein would have been payable to the plaintiff since the date of said interlocutory injunction and which sums have been pursuant to the last paragraph of said interlocutory injunction set up by said carrier on its books of account, subject to the further order of this Court, shall be retained by said carrier as a part of its general funds and said account canceled," and (b) by entering its further order directing the appellees, to account for and pay over to appellants all sums which have become payable pursuant to the allowance tariff.

4. In that the final decrees in substance and result set aside and nullify the provisions of tariffs voluntarily published by the appellee carriers and filed with the Interstate Commerce Commission, in accordance with Section 6 of the Interstate Commerce Act.

5. In that the final decrees in substance and result make effective certain orders of appellee Interstate Commerce Commission, prior to the effective date of said orders as provided therein or as later postponed by further orders of said Commission.

6. In that the decrees, in authorizing and directing the carriers to withhold payments to appellant, were not supported by any evidence or by findings of fact or conclusions of law by the Court, required by Equity Rule 70½.

POINTS AND AUTHORITIES.

I.

A railroad tariff published and on file with the Commission has the force of a statute and binds both shipper and carrier.

Interstate Commerce Act, Section 6, paragraphs (3) and (7).

Keogh v. Chicago & N. W. Ry. Co., 260 U. S. 155, 67 L. ed. 183 (1922).

Pennsylvania R. Co. v. International Coal Min. Co., 230 U. S. 184, 57 L. ed. 1447 (1913).

Texas & Pacific Ry. Co. v. Mugg, 202 U. S. 242, 50 L. ed. 1011.

Gulf C. & S. F. R. Co. v. Hefly, 158 U. S. 98, 39 L. ed. 910.

A. J. Poor Grain Co. v. C. B. & Q. Ry. Co., 12 I. C. C. 418.

II.

The Interstate Commerce Commission has exclusive power to fix railroad rates or practices for the future.

Mitchell Coal & C. Co. v. Pennsylvania R. Co., 230 U. S. 247, 57 L. ed. 1472 (1913).

Texas & P. R. Co. v. Abilene Cotton Oil, 204 U. S. 425, 51 L. ed. 553 (1907).

- Robinson v. Baltimore & O. R. Co.*, 222 U. S. 507, 56 L. ed. 288 (1912).
Southern R. Co. v. Tift, 206 U. S. 428, 51 L. ed. 1124 (1907).
J. C. Famechon v. Northern Pac. R. Co., 23 F. (2d) 307 (1927).
Chicago, B. & Q. R. Co. v. Merriam & Millard Co., 297 F. 1 (1924).

III.

An order of the Commission can take effect only *in futuro*, as prescribed in the order and modified by the Commission and the Courts have no power to advance the effective date thereof.

- Section 15 (2) of the Interstate Commerce Act.
United States v. Baltimore & O. R. R. Co., 284 U. S. 195, 76 L. ed. 243 (1931).

IV.

A report of the Commission is not self executing and the Courts have no power to put it into effect in the absence of an effective order based thereon.

- American Sugar Refining Co. v. Delaware L. & W. R. Co.*, 207 F. 733 (1913).
North American Co. v. St. Louis & S. F. Ry. Co., 288 F. 612 (1922).

SUMMARY OF ARGUMENT.

In ordering, in the final decrees, that all sums which were due appellants under the terms of the allowance tariffs during the period subsequent to the interlocutory injunctions should be retained by the carriers and not paid over to the respective appellants, the District Court went beyond the issues properly before it and took action as to which its jurisdiction had not been invoked.

In doing so, the Court acted without any evidence before it of material facts affecting that phase of the case, and the decrees are not supported by any evidence whatsoever.

Furthermore, the Court did not enter the required conclusions of law or findings of fact necessary to support that feature of the decrees.

The Court exceeded its powers in setting aside and annulling the express provisions of published railroad tariffs on file with the Interstate Commerce Commission and in force under section 6 of the Interstate Commerce Act.

Tariffs of the railroads published and filed with the Commission have the force and effect of statute and are binding on the shipper, the carrier, the courts, and the Commission until lawfully canceled.

The power to prescribe a change in rate or transportation practice for the future, which the Commission exercised in its cease and desist orders, is a legislative function exclusively within the jurisdiction of the Commission, and the courts have no independent similar power.

Orders of the Interstate Commerce Commission can take effect only *in futuro*, as of the date which the Commission fixes, or as postponed by the Commission, or unless set aside by a court. And in enforcing an order of the Commission, the courts have no power to modify, add to, or detract from the order entered by the Commission.

Therefore, the decrees are not a valid exercise of the court's jurisdiction to enforce orders of the Interstate Commerce Commission, because the effect of the decrees is not consistent with the mandate of the orders, but have the effect of enforcing the orders retroactively, prior to the date upon which the Commission directed the change in practice to become effective.

ARGUMENT.

This Court is familiar with the general problem of railroad terminal practices, with which the Interstate Commerce Commission dealt in the investigation underlying the orders which were attacked in these suits. The validity of its various orders has been settled through the previous

decisions of this Court, and appellants do not here question the decrees of the District Court insofar as they vacate the interlocutory injunctions and dismiss the bills of complaint.

The orders of the Interstate Commerce Commission which were the subject of these suits were only two of many similar cease and desist orders entered pursuant to the same underlying proceedings before that Commission. Many of these orders were attacked by the industries whose plants were affected thereby and numerous permanent injunctions were entered by statutory three judge courts sitting in various districts. The first of these decrees to be appealed to this Court by the Interstate Commerce Commission was in *United States v. American Sheet & Tin Plate Co.*, 301 U. S. 402, 81 L. Ed. 1186 (1937). In that case this Court reversed the decision of the District Court, and ordered the suits dismissed, in effect sustaining the findings and orders of the Commission. In *Pan American Petroleum Corp. v. United States of America, et al.*, 304 U. S. 156, 82 L. ed. 784, the Court again had before it appeals from similar decrees entered in Louisiana and Texas. It likewise reversed those decisions, and in so doing further defined the evidence necessary to support orders in these cases.

The above cited cases are indisputable authority for the decrees of the District Court in these cases insofar as those decrees vacate the interlocutory injunctions and dismiss the bills of complaint. However, the District Court not only dismissed the suits but it went further and directed the carriers to cut off payment of the allowances as of the dates of the interlocutory injunctions, despite the fact that the published tariffs had not been cancelled but continued in force providing for such allowances. On this appeal appellants assert that in so doing, the District Court erred, and that it was in no sense supported in this action by the decision of the Supreme Court in the *American Sheet & Tin Plate Company* case, *supra*, upon the sole authority of

which it decided these cases. The question here presented never arose in those cases, for upon the reversal of its decision by the Supreme Court, the District Court at Pittsburgh which had decided the *American Sheet & Tin Plate* cases simply dismissed the bills of complaint and set aside the injunctions. The Court in those cases had made no attempt to control the operation of the tariffs, but simply restrained enforcement of the orders, and the result was that the allowances had been paid in accordance therewith until finally cancelled in compliance with the Commission's orders.

I.

The District Court Exceeded Its Jurisdiction.

We submit that the decrees above discussed in *United States v. American Sheet & Tin Plate Co.*, were proper models for the District Court in the present cases, and that the District Court should have done no more than *vacate* its interlocutory injunctions and dismiss the bills. In going further to order the carriers to retain money due the industries under the terms of the allowance tariffs, the Court committed errors of law, which we shall develop herein; the Court also exceeded its jurisdiction.

The suits were brought under authority of the special statute² to set aside, enjoin and annul cease and desist orders of the Interstate Commerce Commission. Only the United States and Interstate Commerce Commission pleaded to the complaints; and with one exception, none of the carriers named as defendants entered an appearance. In their answers filed in each of the cases, the Commission and the United States limited themselves to defending the affirmative complaints. There was no prayer seeking enforcement of the Commission's orders and no cross-complaint was filed.

² (38 Stat. L 219; 28 U. S. C. A. Sec. 41 Sub (28) and Sec. 45 46 and 47), urgent Deficiencies Act of October 22, 1913.

Under these circumstances, the jurisdiction of the Court was invoked only to decide the issues before it and it erred in voluntarily taking jurisdiction for the purpose of enforcing the Commission's order.

II.

The Decrees Are Not Supported by Any Evidence or by Requisite Findings of Fact and Conclusions of Law.

Equity Rule 70½, promulgated June 2, 1930, to take effect October 1, 1930, provides in substance that the Court of first instance shall find the facts specially and state separately its conclusions of law thereon in deciding suits in equity. This, the District Court did not do insofar as that feature of the decrees from which we are here appealing is concerned, nor as to the final orders dismissing appellants' motions to modify those decrees. This delinquency is perhaps not in and of itself ground for reversing the action of the District Court, although a clear basis for remanding. It further exemplifies the fact that this feature of the case did not receive the same consideration that the Court gave to the primary issues concerning the validity of the Commission's cease and desist orders. Furthermore, this delinquency has two results and is the clue to two indications of error:

First, it should be noted that, because of the Court's failure to make the specific findings of fact and its conclusions of law required by Equity Rule 70½, this Court is deprived of the clear understanding of the basis for the decision below which the rule was intended to afford. *Shellman v. Shellman*, 95 F. (2d) 108 (1938). Consequently, in reviewing the decrees and orders from which this appeal is taken, it will be necessary to resort to some speculation as to the possible grounds upon which such action might have been founded.

Second, when consideration is given to the possible grounds upon which the Court may have considered its

decrees to be well founded, it will be seen that there was a total lack of evidence before the Court as to any of the facts which would be material to the applicability of the equitable principles there involved. We point out below the significance of this deficiency in the record, when we come to consider the principle of restitution.

III.

The District Court Has No Power to Vary the Terms of a Tariff.

Whatever may have been the reasons underlying its decrees, the essential and primary error into which the District Court fell was that it directed the carrier appellees to ignore their published tariffs and withhold the allowances for which they provided. These tariffs were at all times in full force and effect, although the various carriers showed their readiness to comply with the Commission's cease and desist orders, whenever they should become effective, by filing cancellation supplements which were postponed or withdrawn from time to time as the matter was held in abeyance by the Commission's postponements of its orders or the filing of suits in the District Court. As such, these tariffs were binding upon the shipper and carrier alike, and have the force of a statute, which the District Court has no power to alter or set aside.

This proposition follows from the express provisions of Section 6(3) and 6(7) of the Interstate Commerce Act, which provide in substance that there shall be no departures from or changes made in the rates and charges which have been filed and published by any common carrier, except and until the proposed changes have been similarly published and filed.

This Court has given effect to this mandate in many situations, some of which gave strong reason for a departure from the tariffs. Thus in *Keogh v. Chicago & N. W. R. Co.*, 260 U. S. 156, 67 L. ed. 183 (1922), the Court required

adherence to the legally published tariffs even in the face of a charge that the tariff rate was established through an illegal combination of carriers in violation of Section 7 of the Anti-Trust Act. The Court held that the unlawful combination had violated no legal right of the plaintiff and observed at page 163:

"The legal rights of shipper as against carrier in respect to a rate are measured by the published tariff. Unless and until suspended or set aside, this rate is made, for all purposes, the legal rate, as between carrier and shipper. The rights, as defined by the tariff, cannot be varied or enlarged by either contract or tort of the carrier."

It has repeatedly been held that the carrier cannot, under any circumstances, charge any rate other than that published in its tariffs. In *Pennsylvania R. Co. v. International Coal Min. Co.*, 230 U. S. 184, 57 L. ed. 1446 (1913), the Court said at page 197:

"The statute required the carrier to abide absolutely by the tariff. It did not permit the company to decide that it had charged too much and then make a corresponding rebate; nor could it claim that it had charged too little, and insist upon a larger sum being paid by the shipper. (Citations.) The tariff, so long as it was in force, was, in this respect, to be treated as though it had been a statute, binding as such upon railroad and shipper alike."

The Commission itself has stated the law in one of its landmark decisions, *Poor Grain Co. v. C., B. & Q. Ry. Co.*, 12 I. C. C. 418, in this language:

"A rate, so long as it remains uncanceled, is as fixed and unalterable either by the shipper or by the carrier as if that particular rate had been established by a special act of the Congress. When regularly published, it is no longer the rate imposed by the carriers, but the rate imposed by the law."

The foregoing language, frequently quoted and never questioned, was based on the prior decisions of the Supreme Court in *Texas & Pacific Ry. Co. v. Mugg*, 202 U. S. 242, 50 L. ed. 1011 (1906), and *Gulf, C. & S. F. R. Co. v. Hefley*, 158 U. S. 98, 39 L. ed. 910 (1895).

We anticipate that counsel for appellees may seek to avoid the force of the foregoing principles of law; they cannot deny them. And the fact that the tariffs which the District Court nullified by its decrees were allowance tariffs does not affect the applicability of those principles. Railroad tariffs are of many kinds and the sanctity of what may be described as a concessionary tariff, such as tariffs providing for transit privileges or allowances, is equal to that of the more familiar rate tariff, naming rates for the conveyance of property. The charges to which Section 6 (3) and (7) of the Act refer must of necessity be arrived at through application of the freight rate tariff *and* whatever terminal, transit, or allowance tariffs apply. Neither the shipper, the carrier nor a court has the power either to restrain collection of the tariff rates or to restrain payments required to be made by the terms of allowance tariffs.

For this reason the District Court not only did not have power in its decrees to require the carriers to retain payments due under the allowance tariffs, but it did not at the time of the interlocutory injunction have the power to direct the carriers to retain the allowances while those tariffs remained in effect.

It may possibly be contended by opposing parties that the propositions above stated are not sound or applicable where the railroads were restrained by the interlocutory injunction from making changes in rates which they would otherwise have made, and it may be asserted that this is such a case. It is not necessary to consider whether or not such a contention would be valid if asserted in a case, where, upon the issuance of an interlocutory injunction, the carriers did no more than to give public notice that the

operation of their tariffs had been enjoined or suspended by this Court. In this case the carriers did more, that is, they voluntarily filed with the Commission supplements in conformity with Section 6 of the Act, which extended the effective date of the cancellation of the allowances; that evidences voluntary action and definitely fixes the obligation of the carriers under the tariffs. The force and effect of that action is not lessened, even though reference is made in the tariffs to the action of this Court in issuing the interlocutory injunction, as we shall develop more fully below, in connection with the question as to whether this case is one in which the principle of restitution may apply.

IV.

The Allowances Are Not Rebates Which the Court Might Properly Order Withheld.

The action of the District Court at the time of the interlocutory injunction in requiring the carriers to withhold payment of the allowances, and later in decreeing that the allowances so withheld should be retained, would only be lawful and within the power of the Court if the allowances as of the date of the interlocutory injunction were illegal allowances in the sense of not conforming to tariffs lawfully on file with the Commission pursuant to the requirements of Section 6 of the Act.

Counsel for the appellees argued on brief before the District Court that the allowances were unlawful *per se*, and the action of the Court seemed to indicate that the Court felt it was dealing with a rebate.

However, the very fact of the existence of the allowance tariffs forecloses any such claim of rebating, since the very nature of a rebate is an unauthorized departure from the tariffs. If a tariff provides for a definite payment to the shipper out of the rates, then the payment is not to be regarded as a "concession" and cannot be a rebate. This follows from the very language of section 6 (7), which provides:

“nor shall any carrier charge or demand or collect or receive a greater or less or different compensation for such transportation of passengers or property * * * than the rates, fares, and charges which are specified in the tariff filed and in effect at the time.”

Unless it can be said that the rate named in the tariff is a rebate from the tariff, we submit that there is no room for any contention that the allowance tariffs were in any sense violative of Section 6 or that they were not in good form. Inexplicably however, counsel for appellees argued to the District Court that a violation of Section 6 was the very basis for the Commission's orders as sustained by this Court in *United States v. American Sheet & Tin Plate Co., supra*.

We submit that this argument is extremely ill taken in the face of the holding of this Court regarding the contention of the industries in that case that the allowances were not unlawful refunds or rebates under Section 6 so long as lawfully published in the tariff. The Court there said, p. 1190:

“If the findings were limited to the practices specified in the sections mentioned [Sections 6 and 15] the position of the appellees would no doubt be sound, but the Commission has, in each case, found that the interchange tracks of the respective industries are reasonably convenient points for the receipt and delivery of interstate shipments and that the industry performs no service beyond those points of interchange for which the carrier is compensated under its interstate line-haul rates. These findings are an adjudication by the Commission that the spotting service within the appellees' plants is not transportation service which the carriers are bound to render in respect of receipt and delivery of freight.”

Thus, the basis upon which the Commission's orders were sustained in those cases was the legislative power of the Commission to fix the transportation service to be provided under the line-haul rates *for the future*. The tariffs not be-

ing unlawful *per se*, the District Court had no jurisdiction to fix the rates or practices so as to have them differ from what was specifically provided by the tariffs published and on file with the Commission.³

The Supreme Court has long recognized and adhered to an important distinction between that class of cases in which the courts may hold a practice or rate of the carriers unlawful and give an order for damages based thereon and those cases peculiarly and exclusively for the Commission. In *Mitchell Coal & C. Co. v. Pennsylvania R. Co.*, 230 U. S. 247, 57 L. ed. 1472 (1913), the Court, in dealing with a questioned allowance, stated the principle, p. 1475, that:

“the legal quality of the practice complained of may not be definitely fixed by the statute, so that an allowance, otherwise permissible, is lawful or unlawful, according as it is reasonable or unreasonable. But to determine that question involves a consideration and comparison of many and various facts, and calls for the exercise of the discretion of the rate-regulating tribunal. The courts have not been given jurisdiction to fix rates or practices in direct proceedings, nor can they do so collaterally during the progress of a lawsuit when the action is based on the claim that unreasonable allowances have been paid.”

The effect of the Commission's reports and the decisions of the Supreme Court in the *Pan American* and *American Sheet and Tin Plate Cases*, is to say that for the future the carriers shall not render a service beyond the interchange tracks without making some charge over and above the line-haul rate therefor. The basis for this legislative decree is that to render such service without additional charge would be to give a preferential service. Such a finding is the exclusive function of the Commission, as was decided in *Texas & P. R. Co. v. Abilene Cotton Oil Co.*, 204 U. S.

³ This has been clearly held in a case involving a situation almost identical with the present, *American Sugar Refining Company v. Delaware, L. & W. R. Co.*, discussed below.

426, 51 L. ed. 553 (1907), where the Supreme Court clearly and permanently established the proposition that the reasonableness of a rate or practice is exclusively within the jurisdiction of the Commission and that the courts have no power to give reparation upon the basis of a finding of unreasonableness in the rates or charges. The later case of *Robinson v. Baltimore & O. R. Co.*, 222 U. S. 507, 56 L. ed. 288 (1912), enlarged upon the decision in the *Abilene Cotton Oil Case*, the Court further holding, p. 511:

"It is true, as was urged in argument that in that case the complaint against the established rate was that it was unreasonable, while here the complaint is that the rate was unjustly discriminatory. But the distinction is not material. The power of the Commission over the two complaints is the same."

See also:

Southern R. Co. v. Tift, 206 U. S. 428, 51 L. ed. 1124 (1907);

J. C. Famechon v. Northern Pac. R. Co., 23 F. (2d) 307 (1927);

Chicago, B. & Q. R. Co. v. Merriam & Millard Co., 297 F. 1 (1924).

V.

The District Court Had No Power to Enforce Retroactively a Cease and Desist Order of the Commission.

We have argued above that the Commission and the Commission alone has power to prescribe for the future a change in rate or transportation practice such as was here involved; the Court does not have such power. Furthermore, the Commission having so ordered a change in practice, the District Court would have power to enforce that order only in a suit in equity properly before the Court. This is not such a suit, since the only issues presented by the pleadings were as to the validity of the Commission's order and no prayer was entered seeking an enforcement thereof.

However, assuming *arguendo* that the Court might properly of its own motion enforce the Commission's order, in addition to dismissing the bill of complaint seeking an injunction restraining such enforcement, it would only be proper and lawful for the Court to enforce the cease and desist order *strictly according to its terms*.

Paragraph 2 of Section 15 of the Interstate Commerce Act provides:

"All orders of the Commission * * * shall take effect within such reasonable time, not less than thirty days, * * * as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a Court of competent jurisdiction."

In this case the District Court enjoined the enforcement of the Commission's orders. In addition thereto, the Commission postponed the effective dates of its orders, *not* pending the determination of the injunction suits, but to a definite and fixed time in the future. It is not necessary for this Court to decide here whether the District Court might properly unwind its prior action and give effect to the cease and desist orders as of the date of the interlocutory injunctions, on the theory that those injunctions had prevented the orders from taking effect. This is not such a case because of the fact of postponements by the Commission. If the Commission had thought that its orders should take effect without postponement and had intended to so urge in the event that the suits were dismissed, it would not have postponed the orders.

On the contrary, the Commission's postponement of its orders clearly had no direct causal relation with the injunctions. In No. 228 there were two postponement orders *before*—any injunction was entered, one even before a suit was filed. No. 227 was one of the earlier cases in the whole program, and the single postponement of the cease and desist order in that case was, in the light of the consistent action in other cases subsequent thereto, obviously not so

much in contemplation of the injunction in that case as it was to hold the *status quo* pending the outcome of the country wide litigation which terminated in the *American Sheet & Tin Plate* and *Pan American* cases, *supra*. The District Court plainly has no authority to disturb this *status quo* by decreeing that the orders should be effective at some other and prior date than that fixed by the Commission.

To remove the effect of its preliminary injunction and give effect to the Commission's orders in these cases the Court would have to direct the carriers to cancel the allowance tariffs and cease paying the allowances on June 15, 1937, and cannot properly fix any earlier date.

In *United States v. Baltimore & O. R. Co.*, 284 U. S. 195, 76 L. ed. 243 (1931), the Supreme Court held an order of the Commission inoperative because it violated the above quoted Section 6 of the Act by attempting to prescribe retroactively the divisions of rates to be observed between connecting carriers. And the Court further refused to give effect to a later valid order as of the date when the original order could have been made effective, saying, page 203:

"The courts may not usurp the function of the Commission and say one of its orders shall become effective thirty days, a hundred days, or at any other time after entry. An order must take effect as prescribed; its effective date, if any, is the one actually appointed not one which might have been. Unless and until the Commission duly designates a lawful date no carrier can know what is required and the courts cannot command obedience."

AMERICAN SUGAR REFINING CASE.

Taking the situation here presented as a whole, the disposition of these cases for which we have been contending is in all its essentials supported by a decision of Circuit Court of Appeals for the Third Circuit rendered in *American Sugar Refining Co. v. Delaware, L. & W. R. Co.*, 207 F. 733 (1913). In that case the shipper sued to recover

a published allowance for a period subsequent to a report of the Interstate Commerce Commission condemning the allowances as "rebates." The Commission had not entered an order, but stated in its report that the carriers would be expected to conform their tariffs to the principles announced in the report. This the carriers did not do.

Observing that the tariffs were duly filed and lawfully published under Section 6 and that they provided for an allowance as stated in the complaint, the Court observed, p. 740:

"There is no pretense that any 'refund' or 'remittance' in any manner or by any device has been made of any portion of the through rates stated in the schedule *except 'such as are therein specified,'* as specially provided for in the act, and there is no suggestion that the schedule filed omits 'any rules or regulations which in anywise change, affect, or determine any part or the aggregate of the rates, fares, and charges' provided for therein."

With those circumstances in mind, the Court then noted the lack of an outstanding effective order by the Commission and observed further, p. 741:

"The mere opinion of the Commission, as to the character of the deduction or allowance mentioned in the schedule, could not, ipso facto, affect the validity of the same, in face of the positive requirements and prohibitions of the statute in regard to changes in rates which have been filed and published by a common carrier."

The Court then reversed the decision of the District Court and ordered judgment to be entered in favor of the plaintiff for the full amount of the claim.

We submit that this case is of controlling importance here since it represents the decision of a Circuit Court of Appeals that an allowance, which is not a secret rebate but is provided for in published schedules, must be paid.

Counsel for appellees may argue that the case is distinguishable on the grounds that there was no order issued by the Commission, whereas in these cases the Commission issued cease and desist orders. Such a distinction is not material however, in the face of the fact that the Commission fixed the effective date of its various order herein as June 15, 1937.

Until that effective date, the situation in the two cases is the same, *i. e.*, no *effective* order was outstanding against the observance of the tariffs. This is true in these cases because of the express provision of Section 15, paragraph (2). An order does not operate until by its terms it becomes effective. In the *Refining Co.* case it was equally true because of the corollary proposition that a mere report condemning a practice provided for in published tariffs does not of itself make the practice unlawful so long as there is no effective order requiring the cancellation of the inhibited tariffs. In this the *Refining Co.* decision is supported by *North American Co. v. St. Louis & S. F. R. Co.*, 288 F. 612 (1922), at page 618:

"A report or an opinion of the Interstate Commerce Commission without an order to change established rates neither authorizes nor permits a departure therefrom."

VI.

The Principle of Restitution Has No Application to These Cases.

In the absence of the required findings and conclusions of law by the lower Court on this phase of its decrees, it is impossible to determine other than speculatively upon just what basis the Court intended to found its action. It cut off the allowances on its own motion as of the dates of the interlocutory injunctions⁴ and, as we have argued, in so doing it erred in that it necessitated the violation of the

⁴ These dates were over a year apart, August 28, 1935 and December 2, 1936. (R. 78, 131.)

printed and published tariffs. This cannot be justified on the ground that the Court was enforcing orders of the Commission, because it did not enforce those orders according to their terms. Furthermore, the Court did not have power to enforce orders of the Commission other than according to their terms and the power to do what the Commission did was exclusively the Commission's.

It was argued in the District Court by appellees that the Court should go the full extent of its power in order to give the defendant carriers every advantage and benefit which, but for the interlocutory injunction, they would have enjoyed under the orders of the Commission. The argument in support of this position was based largely upon the opinions of this Court in *Baltimore & Ohio R. Co. v. United States*, 279 U. S. 781, 75 L. ed. 954 (1929), *Atlantic Coastline R. Co. v. Florida*, 295 U. S. 301, 79 L. ed. 1451 (1935).

The principle on which these cases were decided is one upon which the lower Court may have based its decrees as they now stand. It is clearly expounded in the opinion of the Supreme Court in the *Atlantic Coast Line* case, *supra*, page 309; the rule is that "what has been lost to a litigant under the compulsion of a judgment shall be restored thereafter, in the event of a reversal, by the litigants opposed to him, the beneficiaries of the error." The essence of these cases is the return of something which was lost through the compulsion of a later reversed judgment.

Upon the authority of these cases, it was argued, the Court should "put the carriers in the same position they would have occupied except for the interlocutory injunctions," by directing the carriers to retain the "sums of money which but for the interlocutory injunction would have remained in their general funds." This on the theory that the original interlocutory injunctions had restrained the cancellation of the allowances so that the Court should now correct the effect of its error in granting the interlocutory injunctions in the light of its final determination that the underlying orders of the Commission were valid. The deficiency in this argument, and an obvious error of fact, is

that there was a total lack of compulsion upon the carriers to publish the allowances, which compulsion is the essence of the restitution principle. The circumstances in these cases are plainly contradictory of any allegation that the allowances were published or maintained because the Court commanded the carriers to publish or maintain them. These allowances have been published in tariffs and paid for many years past in each case by the voluntary act of the individual carriers. In each case the carriers published cancelling supplements only because of the Commission's order requiring them to cease and desist from the practice, and, whenever the Commission postponed the effective date of its order, the carriers consistently postponed cancellation of the allowances.

Accordingly, in No. 228, where the Commission postponed the effective date of its order to October 15, 1936, and later, to December 15, 1936, and again to June 15, 1937, the Chicago and Illinois Western and the Belt Railway each immediately published supplements postponing the cancellation of the allowance tariffs as long as possible. *The first two of these postponements were before any injunction was entered.*

The preliminary injunction was entered on December 2, 1936, while the Commission's order was at that time to be effective December 15, 1936. The carriers thereupon further postponed their cancellation tariff and *in addition thereto*, the Commission postponed the effective date of its order to June 15, 1937.

The facts are similar in No. 227, except for the chronology of postponements, and it was subsequent to the interlocutory injunction that (a) the Commission postponed the effective date of its cease and desist order; and (b) the carrier filed a new supplement with the Commission, postponing the effective date of the cancellation of the allowance tariff.

It was argued by appellees below, that the injunction in No. 227 restrained the cancellation of the allowance, and

that this fact destroyed the voluntary character which appellants attribute to the tariffs. The answer to that argument is that the carrier established its willingness to continue the allowances, so long as not prohibited by the Commission, by affirmatively restoring the tariffs.

Under these circumstances, it is a violent stretch of the facts to say that the allowances would have been cut off but for the preliminary injunction. On the contrary, if the preliminary injunctions had not been entered, the allowances would necessarily have been paid at least down to the effective date of the Commission's orders, June 15, 1937. Plainly, the only compulsion upon the carriers was the compulsion of the Commission's order. The injunctions only compelled the carriers to retain the money, and they should now be left free to make settlement with the industries in accordance with the tariffs, and in compliance with the cease and desist orders.

VII.

The Decrees of the District Court Are Contrary to Equity and Good Conscience.

If the decrees of the District Court were, in fact, based upon some loose concept of the equitable principle of restitution, there is, in addition to the obvious inapplicability of such principle which we have already pointed out, the added reason for denying the contention of counsel for appellees, that to do so would be grossly inequitable under the real circumstances in the case.

In the first place the request for restitution comes, not from the carriers to whom the restitution would be made, but from the Interstate Commerce Commission. The carriers themselves, though named as defendants below and appellees herein, have taken no part in the prosecution or defense of these suits and have laid no claim to retaining the allowances which their tariffs provided should be paid to the appellant industries. Surely equity will not go out of its way to give a money judgment to a party who does

not ask for it, and who is not entitled to ask it because in default of pleading.

The very title of the Commission's proceeding, *Practices of Carriers Affecting Operating Revenues or Expenses*, clothes the condemnation of the terminal practices out of which these suits arose in the character of an attempt to save the carriers' revenues. This is unquestionably a laudable purpose and its spirit is inherent in the above mentioned contention of counsel that the District Court should go the full extent of its power in order to give the defendant carriers every advantage and benefit. And in the absence of the usual clues as to what impelled the decrees of the District Court, the resulting necessary speculation leads inevitably to a consideration of the possibility that the court gave more than passing consideration to the familiar revenue needs of the railroads.

However, this is not a case in which the financial condition of the parties should be a determining factor; and if it were, it would be extremely unfair to assume the needs of the railroads, and without any evidence upon the subject to assume to the contrary that the industries were fat corporations.

If it is fair to take notice of the financial needs of the carriers who are parties in these proceedings, it is only fair to assume that the financial needs of the industries, in times of depression, are equally pressing.

As a matter of law, these considerations have no place in the deciding of the issues presented. What does have an important bearing upon the exercise of the discretion of a court of equity as to the terms and conditions upon which it may require a settlement of a controversy submitted to its jurisdiction are the facts and principles which we have urged upon this Court above.

Further appealing to the conscience of equity is the consideration that the cease and desist orders which the Commission entered, and which have been sustained by the courts, bring about a complete revolution of transportation

practices at the plants of the industries affected. This revolution is not confined solely to the amount of money to be paid or the quantum of service which the railroads shall render the appellants; it also involves the physical practices and everyday problems surrounding the handling of a very large volume of carload traffic. In the total absence of any aspect of villainy or moral turpitude on the part of either the industries or the railroads, we submit that elementary common sense dictates an orderly and cooperative readjustment to the new prescribed practice.

The orders of the Interstate Commerce Commission, as postponed to June 15, 1937, do provide, so far as the four Chicago industries are concerned, a uniform time for effectuating this new practice. The carriers have not been defiant of these orders and have at all times exhibited a readiness to comply therewith, *when effective*.

The decrees of the District Court should be reversed and the cases remanded with instructions to modify the decrees simply to dismiss the bills of complaint and set aside the interlocutory injunctions.

NUEL D. BELNAP,
JOHN S. BURCHMORE,
Solicitors for Appellants.

December 12, 1938.

APPENDIX.**THE INTERSTATE COMMERCE ACT.**

(Being the Act to Regulate Commerce as Amended)

U. S. Code, Title 49, Chapter 1

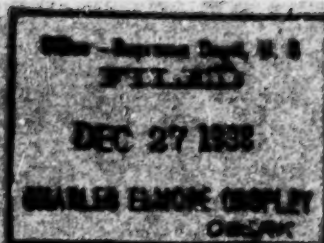
Sec. 6 (3) No change shall be made in the rates, fares, and charges or joint rates, fares, and charges which have been filed and published by any common carrier in compliance with the requirements of this section, except after thirty days' notice to the Commission and to the public published as aforesaid, which shall plainly state the changes proposed to be made in the schedule then in force and the time when the changed rates, fares, or charges will go into effect; and the proposed changes shall be shown by printing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection: *Provided*, That the Commission may, in its discretion and for good cause shown, allow changes upon less than the notice herein specified, or modify the requirements of this section in respect to publishing, posting, and filing of tariffs, either in particular instances or by a general order applicable to special or peculiar circumstances or conditions: *Provided further*, That the Commission is hereby authorized to make suitable rules and regulations for the simplification of schedules of rates, fares, charges, and classifications and to permit in such rules and regulations the filing of an amendment of or change in any rate, fare, charge, or classification without filing complete schedules covering rates, fares, charges or classifications not changed if, in its judgment, not inconsistent with the public interest.

Sec. 6 (7) No carrier, unless otherwise provided by this part, shall engage or participate in the transportation of passengers or property, as defined in this part, unless the rates, fares, and charges upon which the same are transported by said carrier have been filed and published in ac-

cordance with the provisions of this part; nor shall any carrier charge or demand or collect or receive a greater or less or different compensation for such transportation of passengers or property, or for any service in connection therewith, between the points named in such tariffs than the rates, fares, and charges which are specified in the tariff filed and in effect at the time; nor shall any carrier refund or remit in any manner or by any device any portion of the rates, fares, and charges so specified, nor extend to any shipper or person any privileges or facilities in the transportation of passengers or property, except such as are specified in such tariffs.

Sec. 15 (2) Except as otherwise provided in this part, all orders of the Commission, other than orders for the payment of money, shall take effect within such reasonable time, not less than thirty days, and shall continue in force until its further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction.

FILE COPY



No. 227

In the Supreme Court of the United States

OCTOBER TERM, 1938

INLAND STEEL COMPANY, APPELLANT

v.

THE UNITED STATES OF AMERICA, INTERSTATE COMMERCE COMMISSION AND INDIANA HARBOR BELT RAILROAD COMPANY

No. 228

CHICAGO BY-PRODUCT COKE COMPANY, APPELLANT

v.

THE UNITED STATES OF AMERICA, INTERSTATE COMMERCE COMMISSION, THE BELT RAILWAY COMPANY OF CHICAGO, ET AL.

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS

BRIEF ON BEHALF OF THE UNITED STATES AND THE INTERSTATE COMMERCE COMMISSION

DECEMBER 1938.



SUBJECT INDEX

OPINIONS.....	Pa 1-
JURISDICTION.....	
QUESTIONS.....	3-
STATUTES INVOLVED.....	
STATEMENT.....	5-1
SUMMARY OF ARGUMENT.....	12-1
ARGUMENT.....	15-4
I. The disposition made of the impounded funds by the final decrees of the lower court, namely, that such monies be retained by the carriers in their general funds, is obviously correct, and the decrees should be affirmed.....	
	15-3
II. The fact that tariffs providing for the allowances were in force as a result of the District Court's granting of erroneous interlocutory injunctions, is not sufficient to legalize the allowances so that their payment to appellants is required.....	
	36-3
III. The findings of the Commission and of the Court were, under the circumstances, adequate. The interlocutory injunctions were granted at appellants' request, and it is too late now to question the conditions attached to those injunctions.....	
	40-4
CONCLUSION.....	43-4
APPENDIX.....	45-5

TABLE OF CASES

<i>Alabama v. United States</i> , 279 U. S. 229.....	2
<i>American Sheet & Tin Plate Co. v. United States</i> , 15 F. Supp. 711.....	2
<i>Arkadelphia Co. v. St. Louis, S. W. Ry.</i> , 249 U. S. 134.....	4
<i>Atlantic Coast Line R. Co. v. Florida</i> , 295 U. S. 301.....	15, 29, 35, 4
<i>Baltimore & Ohio R. Co. v. United States</i> , 279 U. S. 781.....	31, 3
<i>Central Railroad Co. of New Jersey v. United States</i> , 229 Fed. 501.....	3

II

	Page
<i>Chicago & Alton Ry. Co. v. United States</i> , 156 Fed. 558.....	38
<i>Chicago By-Product Coke Company Terminal Allowance</i> , 216 I. C. C. 8.....	2, 4
<i>Gallagher v. Pennsylvania R. Co.</i> , 160 I. C. C. 563.....	38
<i>Goodman Lumber Company v. United States</i> , 301 U. S. 669.....	6, 19
<i>Inland Steel Company Terminal Allowance</i> , 209 I. C. C. 747.....	2, 4
<i>Interstate Com. Comm. v. Baltimore & Ohio R. Co.</i> , 225 U. S. 326..	38
<i>Merchants Warehouse Co. v. United States</i> , 283 U. S. 501.....	13, 37
<i>Mitchell Coal Co. v. Pennsylvania R. Co.</i> , 230 U. S. 247.....	38
<i>Practices of Carriers Affecting Operating Revenues or Expenses</i> , Terminal Services, 209 I. C. C. 11.....	2, 5
<i>Smith, A. O., Corp. v. United States</i> , 301 U. S. 669.....	6, 19
<i>United States v. American Sheet & Tin Plate Company</i> , 301 U. S. 402.....	2, 6, 14, 17, 31, 37
<i>United States v. Pan American Corp.</i> , 304 U. S. 156.....	6, 18

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OPINIONS

The opinion of the specially-constituted District Court (R. 81) sustaining six terminal allowance

(1)

orders of the Interstate Commerce Commission (consolidated for hearing) is reported in 23 F. Supp. 291. Although, as stated by the lower court, "the issue in each is substantially the same" and further that "the suits are of the precise character of those considered in *United States et al. v. American Sheet & Tin Plate Co., et al.*, 301 U. S. 402," (R. 81) appeals have been taken in only two of the cases, these involving the Commission's Nineteenth Supplemental Report, *Inland Steel Company Terminal Allowance*, 209 I. C. C. 747 (R. 66) and its Fifty-sixth Supplemental Report, *Chicago By-Product Coke Company Terminal Allowances*, 216 I. C. C. 8 (R. 118).¹

The general report of the Commission (R. 14) announcing certain governing principles is reported in Ex Parte No. 104, *Practices of Carriers Affecting Operating Revenues or Expenses, Terminal Services*, 209 I. C. C. 11. Supplemental reports, in connection with which were entered the

¹ The opinion of the District Court in the consolidated cases, as shown by its decision (R. 83-85; R. 86; R. 87-88; R. 89-90) included the Commission's Thirty-third Supplemental Report, *Interlake Iron Corporation, Duluth, Minn., Terminal Allowance*, 210 I. C. C. 205; the Thirty-fourth Supplemental Report of the Commission, *Crane Company Terminal Services*, 210 I. C. C. 210; the Fifty-second Supplemental Report, *Acme Steel Company Terminal Allowance*, 215 I. C. C. 373, and the Fifty-seventh Supplemental Report, *American Steel Foundaries Terminal Allowances*, 216 I. C. C. 13, but no appeals have been taken in these four cases.

orders involved in the two cases on appeal, are cited in the preceding paragraph.

JURISDICTION

The final decrees of the District Court were entered on April 27, 1938, in both the *Inland Steel Company Case* (R. 93) and in the *Chicago By-Product Coke Company Case* (R. 135). Motions to modify the final decrees in the two cases were filed on May 25, 1938 (R. 94; R. 136) and were denied by the court without opinion on June 13, 1938, in both cases (R. 101; R. 175). Petitions for appeal were filed on June 24, 1938, (R. 101; R. 175) and were allowed by the District Court on the same day (R. 103; R. 177). The jurisdiction of this court is founded upon the Urgent Deficiencies Act of October 22, 1913, c. 32, 38 Stat. 203, 219, 220 (U. S. C., Title 28, Secs. 45 and 47a, Supp. III), and Section 283 of the Judicial Code, as amended by Act of February 13, 1925, c. 229, 43 Stat. 936, 938 (U. S. C., Title 28, Sec. 345). Probable jurisdiction was found by this court on October 10, 1938.

QUESTIONS

The District Court in the exercise of discretion vested in it, granted injunctions temporarily enjoining the operation of two orders of the Commission directing carriers serving the plants of the Inland Steel Company at Indiana Harbor, Ind., (R. 70) and of the Chicago By-Product Coke Com-

pany at Chicago, (R. 124) to cease and desist from paying allowances to those industries for performance by the latter of spotting services within the plants. By the interlocutory decree, dated August 28, 1935, in the *Inland Steel Case*, (R. 78) the carrier serving that plant was directed to set up on its books of account any and all sums due and payable to the industry under the allowance tariff, "which sums so set up shall be paid over to plaintiff or canceled, only upon the further order of this Court" (R. 80). The decree in the *Chicago By-Product Coke Company Case* (R. 131) dated December 2, 1936, directed the railroads "until the further order of the court" (R. 132) "to withhold payment of the allowances covered by their tariffs to the plaintiff" (R. 132). While the injunctions were in full force and effect from and after August 28, 1935, and December 2, 1936, respectively, the Commission issued supplemental orders postponing the effective date of compliance therewith until June 15, 1937, but refusing to modify the orders in any other particular. The important question presented is whether the orders of the Commission, purporting to postpone the effective dates of its prior orders, confer any rights upon the industries to the impounded funds, in view of the complete assumption and exercise of jurisdiction by the Court in issuing interlocutory injunctions "during the pendency of this matter" (R. 79; 132).

Another question presented is whether appellants, after availing themselves of the benefits of the interlocutory injunctions granted in 1935, and in 1936, on their motion (R. 78; 131), can on April 28, 1938, attack those interlocutory injunctions as being erroneous in fact and in law on the allegations that (1) the court received no evidence and made no findings of fact upon which it could base such decrees, and (2) the court had no jurisdiction to set aside the terms of the tariffs and had no power to command a departure therefrom (R. 96; R. 139).

STATUTES INVOLVED

The pertinent provisions of the Interstate Commerce Act are set forth in the appendix.

STATEMENT /

These cases present direct appeals by the Inland Steel Company and the Chicago By-Product Coke Company from a portion of final decrees, dated April 27, 1938, of the U. S. District Court for the Northern District of Illinois, Eastern Division (R. 93; 135) sustaining the Commission's orders in all respects, and from orders denying motions to modify the final decrees, dated June 13, 1938 (R. 101; 175).

The cases are an outgrowth of the Commission's investigation in Ex Parte No. 104, *Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services*, 209 I. C. C. 11 (R. 14). Following the Commission's general re-

port, supplemental reports were issued covering the services rendered by common carriers subject to the Interstate Commerce Act in the spotting and switching of cars at particular plants. Many of these supplemental reports and orders have been sustained by this Court (*United States v. American Tin Plate Company*, 301 U. S. 402; *Goodman Lumber Co. v. United States*, 301 U. S. 669; *A. O. Smith Corp. v. United States*, 301 U. S. 669, and *United States v. Pan American Corporation*, 304 U. S. 156). The supplemental reports covering the plants of the Inland Steel Company and the Chicago By-Product Coke Company are substantially the same as those approved by this Court, and no contention is made that the orders accompanying such reports are not valid. The controversy here is narrow and involves the question as to whether the industries or the railroads are entitled to the funds that were impounded and withheld by the carriers under the directions of the District Court pending the final disposition of the cases.

The report in the *Inland Steel Company Case*, dated July 11, 1935 (R. 66) directed the Indiana Harbor Belt Railroad, serving that plant, to cease and desist on or before September 3, 1935, from paying any allowance to the industry because such allowances were for non-common-carrier services. A bill in equity to set aside the Commission's order was filed August 5, 1935 (R. 1) and, after hearing, an interlocutory injunction "during the pendency

of this matter" (R. 79) was granted. In that decree the court provided in part as follows:

It is further ordered that the operation of the aforesaid tariff schedule filed by defendant, Indiana Harbor Belt Railroad Company, to become effective September 3, 1935, cancelling the aforesaid allowance to plaintiff be, and it is hereby, suspended and set aside, pending the further order of this Court.

It is further ordered, that until the further order of the Court, any and all sums due and payable to plaintiff, under the aforesaid tariff providing said allowance, shall be set up by defendant Indiana Harbor Belt Railroad Company on its books of account, which sums so set up shall be paid over to plaintiff, or canceled, only upon the further [116-122] order of this Court, plaintiff by its counsel having agreed in open court to such arrangement, without prejudice. (R. 79-80.)

By Commission order of February 26, 1937, the effective date was postponed until June 15, 1937, (R. 95), despite the interlocutory injunction granted by the court in the meantime. It is appellant's claim that it is entitled to the impounded funds "at least" until June 15, 1937. (Brief, p. 27.)

The report in the *Chicago By-Product Coke Company Case* was dated May 28, 1936 (R. 118) and the order directing the carriers to discontinue the allowances was to become effective originally

on July 17, 1936 (R. 124). The effective date was postponed from time to time by the Commission, by various orders, until June 15, 1937 (R. 137). A bill in equity to enjoin this order was filed September 2, 1936, (R. 105) and an interlocutory injunction temporarily restraining the Commission's order (which at that time was to become effective on December 15, 1936, R. 131) was issued on December 2, 1936 (R. 131). In that decree the court provided:

Now, therefore, it is ordered that during the pendency of this matter the United States of America and the Interstate Commerce Commission be and they are hereby restrained and enjoined from taking any steps for the enforcement and execution of the aforesaid report and order entered the 28th day of May, 1936, in said Ex Parte No. 104, Practices of Carriers Affecting Operating Revenues or Expenses, Part II, Terminal Services, insofar as the same apply to plaintiff, Chicago By-Product Coke Company, and the said report and order are suspended, stayed, and set aside, pending the further order of the court.

It is further ordered, That until the further order of the Court, The Belt Railway Company of Chicago, Chicago & Illinois Western Railroad, and Illinois Central Railroad Company are authorized and directed to withhold payments of the allowances covered by their tariffs to the plaintiff, Chicago By-Product Coke Company. (R. 132).

In this case appellant also claims that it is entitled to the monies withheld by the carriers pursuant to the terms of the interlocutory decree.

On April 27, 1938, the lower court dissolved the interlocutory injunctions theretofore granted and ordered the dismissal of both petitions for want of equity (R. 93; 135). At the same time the court directed that the amounts set up and withheld by the carriers pursuant to the terms of the interlocutory injunctions should be retained by the railroads as a part of their general funds (R. 93; 135). It is from this action of the court that appellants appeal. Although there were six cases disposed of by the lower court in the consolidated proceeding (R. 81) involving the same issues, with the exception of the Crane Company plant, where the railroad performs the spotting service itself instead of paying an allowance to the industry as in the other cases (R. 86) appeals have been taken only in the *Inland Steel Company* and the *Chicago By-Product Coke Company Cases*.

The questions presented by the assignment of errors (R. 102; 176) in both cases, as well as in the "Statements of Points to be Relied Upon", (R. 180; 182) are the same. They may be summarized as follows: (1) The lower court erred in directing the carriers to retain the funds that were impounded under the interlocutory injunctions as a part of their general funds; (2) because, as a result of the court's action in granting the interlocutory

injunctions, the Commission's orders directing the cancellation of the allowance tariffs were enjoined, said tariffs were in full force and effect; (3) the effect of the final decree in the District Court in the two cases is to make the Commission's order effective, in the case of the *Inland Steel Company* on September 3, 1935, (R. 181) and in the case of the *Chicago By-Product Coke Company*, on December 2, 1936, (R. 183) which are the dates of the interlocutory injunctions, contrary to the terms of the orders as extended, and (4) it is contended that the decrees in authorizing and directing the carriers—defendants below—to withhold payments to appellants (which of course refer to the interlocutory decrees) were not supported by any evidence or by any findings of fact, as required by Equity Rule 70½ (R. 181; 184). This contention is made despite the fact that the District Court, in its interlocutory injunction in the *Inland Steel Company Case*, in referring to the provision requiring the maintenance of a separate account concerning the payments that would have been made under the tariffs, stated that "plaintiff by its counsel having agreed in open court to such arrangement, without prejudice" (R. 80). The language of the court in its interlocutory injunction in the *Chicago By-Product Coke Company Case* (R. 131-132) though worded somewhat differently, in substance, is the same, because the injunction was granted "upon motion of plaintiff for such inter-

locutory injunction pending final order of the court herein." (R. 131) These interlocutory injunctions, granted by the District Court at the earnest solicitation of appellants, issued on August 28, 1935, (R. 80) and on December 2, 1936, (R. 131) respectively. Appellants uttered not a word of complaint against such injunctions, granted at their request, until after final decrees in each case, on April 27, 1938, had been entered (R. 93; 135), dismissing the bills. In their motions to modify the final decrees filed May 25, 1938, for the first time they raised question as to the District Court's action in granting the interlocutory injunctions (R. 96; 139).

The lower court's final decrees were the same in both cases (R. 93; 135), and contained two provisions, (1) that the impounded sums, which had been withheld under the terms of the interlocutory injunctions, should be retained by the railroads as a part of their general funds, and (2) dismissing the petitions for want of equity and sustaining the orders of the Commission on the merits. From the standpoint of appellees, United States and Interstate Commerce Commission, the important thing of course was the sustaining of the Commission's orders and the dismissal of the petitions. From that part of the decrees, no appeals have been taken. Consequently, the Court may inquire as to the interest of the Government in that part of the decrees appealed from, namely, the lower court's action in releasing the impounded funds to the carriers

appellees. We are interested because the orders of the Commission were interlocutorily enjoined with a condition that the funds that would otherwise have been paid over to the industries, be withheld and retained separately by the railroads pending the outcome. The final decrees dissolving the injunctions and permitting the railroads to retain the impounded funds were a natural sequence of the action of the lower court in sustaining the orders. It is of interest to the Government to see that the carriers and the industries, and any one else affected by the Commission's orders, be restored to that condition, or one as close thereto as possible, that they would be in but for the erroneous granting of the interlocutory injunctions. Also, the final decrees from which these appeals are taken, though divided into parts, are a unit and, interpreted together, effect complete justice. That appellants complain of only a portion of the decrees is a matter beyond our control.

SUMMARY OF ARGUMENT

I. Confronted with a number of cases growing out of terminal allowance orders of the Commission, two of which are now before the Court, and knowing that other cases were on appeal to this Court, the District Court granted interlocutory injunctions requiring the railroads to set up on their books of accounts or to withhold, "pending the final order of the court herein", sums of money which would have been payable to appellants under the

allowance tariffs, which sums so set up or withheld were to be canceled out by the railroads or paid over to appellants only upon the further order of the court. Following the issuance of these interlocutory injunctions, the Commission issued orders postponing the effective dates of the cancellation tariffs until June 15, 1937. Our contention is that, whatever the effect of the Commission's orders as an administrative matter, when the court assumed jurisdiction of the proceedings and exercised its superior judicial power to enjoin the orders pending the outcome of the suit, Commission action was of no avail in so far as in conflict with the right of the District Court, already assumed, to dispose of the funds as the justice of the cases should require. Having caused these funds to be so segregated pending decision of the question of the validity of the orders, the court below was correct in decreeing, as it did, when it held the Commission's orders to be valid, as a part of said decrees, that the accounts should be canceled and the funds turned into the general treasuries of the respective carriers.

II. The fact that tariffs providing for the allowances were in force as a result of the interlocutory injunctions, which were dissolved upon final hearing, is not sufficient to legalize the allowances so as to require their payment to appellants. Because allowances are in tariff form affords no justification for the payment of these sums. *Merchants Ware-*

house Company v. United States, 283 U. S. 501, 511-512. Since common-carrier obligation to deliver or accept cars ended at the interchange tracks, the services beyond were noncommon carrier in character, for which no allowances, whether attempted to be justified in a tariff or otherwise, could legally be paid. *United States v. American Tin Plate Company*, 301 U. S. 402.

III. Appellants contend that the decrees of the District Court in authorizing and directing the carriers to withhold payments to appellants (which of course refers to the interlocutory decrees as these alone had the impounding provisions) were not supported by any evidence or by any findings of fact, as required by Equity Rule 70 $\frac{1}{2}$. These interlocutory injunctions were granted in 1935 and 1936 at the earnest solicitation of appellants, and no complaint was made that the injunctions had been improvidently granted until after the final decrees in these cases had been entered, on April 27, 1938. Having sought and obtained the court's favorable action with the usual condition attached thereto, appellants are not now in a position to question that action after sitting idly by for so long a period of time. All the District Court did, in so far as these appeals are concerned, was to interpret the provisions of its own previously-issued interlocutory injunctions. It was merely the completion of jurisdiction by the court, organized to pass upon the question whether the challenged orders of the

Commission should be vacated or upheld. The District Court's jurisdiction was derived "from that primary jurisdiction and is ancillary thereto. In the exercise of that power it is not required to lend its aid in perpetuating a forbidden practice." *Atlantic Coast Line R. Co. v. Florida*, 295 U. S. 301, 314.

ARGUMENT

I. The disposition made of the impounded funds by the final decrees of the lower court, namely, that such monies be retained by the carriers in their general funds, is obviously correct, and the decrees should be affirmed

From past litigation, the background of these cases is somewhat familiar to this Court, but in considering the questions in issue here the following facts are material:

The Commission's report stating general principles with respect to terminal allowances, was dated May 14, 1935, (R. 14). Thereafter, within a relatively short time, the Commission issued 58 supplemental reports, the last one on August 24, 1936.²

² These 58 reports, in order, covered the plants of the *Interlake Iron Corporation at Toledo*, 209 I. C. C. 51; the *Detroit Edison Company at Detroit*, 209 I. C. C. 55; the *Universal Atlas Cement Company at Steelton, Minn.*, 209 I. C. C. 61; the *Sheffield Steel Corporation at Kansas City*, 209 I. C. C. 64; the *Standard Oil Company of Louisiana at North Baton Rouge*, 209 I. C. C. 68; the *East Chicago Dock Terminal Company at East Chicago, Ind.*, 209 I. C. C. 73; the *Ford Motor Company at Detroit*, 209 I. C. C. 77;

Forty of these 58 supplemental reports were taken into three-judge courts,^a 17 Commission

the *Keystone Steel & Wire Company at Peoria*, 209 I. C. C. 82; the *Pittsburgh Steel Company at Monessen, Pa.*, 209 I. C. C. 87; the *Magnolia Petroleum Company at Chaison, Texas*, 209 I. C. C. 93; the *Allegheny Steel Company at Brackenridge, Pa.*, 209 I. C. C. 273; the *Minnesota By-Products Coke Company at St. Paul, Minn.*, 209 I. C. C. 421; the *Humble Oil & Refining Company at Baytown, Texas*, 209 I. C. C. 727; the *Timken Roller Bearing Company at Canton, Ohio*, 209 I. C. C. 441; the *Weirton Steel Company at Weirton, West Virginia*, 209 I. C. C. 445; the *Mexican Petroleum Corporation at Destrehan, La.*, 209 I. C. C. 394; the *Pittsburgh Plate Glass Company at Ford City, Pa.*, 209 I. C. C. 467; the *American Sheet & Tin Plate Company, with plants at Vandergrift and Scottsdale, Pa., and Wellsville, Ohio*, 209 I. C. C. 719; the *Inland Steel Company at Indiana Harbor, Ind.*, 209 I. C. C. 747; the *Wickwire-Spencer Steel Company at Harriet, N. Y.*, 209 I. C. C. 751; the *Gulf Refining Company at Port Arthur, Texas*, 209 I. C. C. 756; the *Granite City Steel Company at Granite City and Madison, Ill.*, 209 I. C. C. 761; the *Celotex Company at Marrero, La.*, 209 I. C. C. 764; the *Texas Company at Houston, Texas*, 209 I. C. C. 767; the *Western Paving Company near Dougherty, Okla.*, 209 I. C. C. 770; *Detroit Harbor Terminals, Detroit, Mich.*, 209 I. C. C. 787; *Great Southern Lumber Company—Bogalusa Paper Company at Bogalusa, La.*, 209 I. C. C. 793; the *St. Louis Gas & Coke Corporation at Granite City, Ill.*, 209 I. C. C. 797; the *Kansas City Power & Light Company at Kansas City, Mo.*, 210 I. C. C. 103; the *Great Lakes Steel Corporation at Detroit, Mich.*, 210 I. C. C. 9; *Iron Ore Mining Companies Stock Pile Allowances, in the Mesabi Iron Range District of Minnesota*, 210 I. C. C. 254; *Studebaker Corporation at South Bend, Ind.*, 210 I. C. C. 137; the *Interlake Iron Corporation at Duluth, Minn.*, 210 I. C. C. 205; the *Crane Company at Chicago, Ill.*, 210 I. C. C. 210; the *West Leechburg Steel Company at Leechburg, Pa.*, 210 I. C. C. 213; the *Alabama By-Products Corporation at North Birmingham*,

orders reaching and being sustained by this Court
(United States v. American Tin Plate Company,

Ala., 210 I. C. C. 644; the *Petoskey Portland Cement Company at Petoskey, Mich.*, 210 I. C. C. 242; the *Louisville Cement Company at Speeds, Ind.*, 210 I. C. C. 293; the *Standard Steel Car Company at Hammond, Ind.*, 210 I. C. C. 296; the *General American Tank Car Corporation at East Chicago, Ind.*, 210 I. C. C. 383; the *Pacolet Manufacturing Company at Pacolet, S. C.*, 210 I. C. C. 475; the *Marion Steam Shovel Company at Marion, Ohio*, 210 I. C. C. 655; the *Pittsburgh Plate Glass Company at Crystal City, Mo.*, 210 I. C. C. 527; the *Texas Company at Port Arthur, Texas*, 213 I. C. C. 583; the *Goodman Lumber Company at Goodman, Wis.*, 214 I. C. C. 89; the *Wheeling Steel Corporation at Benwood, West Virginia, Martins Ferry, Ohio, Steubenville, Ohio, Portsmouth, Ohio, and other points in Ohio and West Virginia*, 214 I. C. C. 53; the *John Morrell & Company at Ottumwa, Iowa*, 215 I. C. C. 431; the *Uvalde Rock Asphalt Company between Cline and Blewett, Texas*, 218 I. C. C. 271; the *Commonwealth Edison Company at Chicago, Ill.*, 215 I. C. C. 173; the *William Wharton, Jr., & Company, Inc., at Easton, Pa.*, 215 I. C. C. 623; the *Midvale Company at Nicetown, Pa.*, 215 I. C. C. 626; the *Acme Steel Company at Riverdale, Ill.*, 215 I. C. C. 373; *A. O. Smith Corporation at Milwaukee, Wis.*, 215 I. C. C. 534; the *Warren Foundry & Pipe Corporation at Phillipsburg, N. J.*, 215 I. C. C. 653; the *Staley Manufacturing Company at Decatur, Ill.*, 215 I. C. C. 656; the *Chicago By-Product Coke Company at Chicago, Ill.*, 216 I. C. C. 8; the *American Steel Foundries at Indiana Harbor, Ind.*, 216 I. C. C. 13; and the *Louisiana Development Company at Winfield, La.*, 218 I. C. C. 276.

^a These 40 cases were brought by the Interlake Iron Company (Toledo plant) in the Northern District of Ohio; by the Elgin, Joliet & Eastern Railway Company in the Northern District of Indiana; by the Standard Oil Company of Louisiana in the Eastern District of Louisiana; by the Keystone Steel & Wire Company in the Southern District of Illinois; by the Sheffield Steel Corporation in the Western

6 orders, 301 U. S. 402; *United States v. Pan American Corporation*, 9 orders, 304 U. S. 156;

District of Missouri; by the American Sheet & Tin Plate Company, the Allegheny Steel Company, the Pittsburgh Plate Glass Company and the Weirton Steel Company, all in the Western District of Pennsylvania; by the Koppers Company in the District of Minnesota; by the Timken Roller Bearing Company in the Northern District of Ohio; by the Celotex Company and the Pan American Petroleum Corporation in the Eastern District of Louisiana; by the Magnolia Petroleum Company, the Gulf Refining Company, the Humble Oil Company and the Texas Corporation, all in the Southern District of Texas; by the Great Southern Lumber Company in the Eastern District of Louisiana; by the Inland Steel Company in the Northern District of Illinois; by the Kansas City Power & Light Company in the Western District of Missouri; by the Great Lakes Steel Company in the Eastern District of Michigan; by the West Leechburg Steel Company in the Western District of Pennsylvania; by the Interlake Iron Corporation (Duluth, Minn., plant) in the Northern District of Illinois; by the Wisconsin Steel Company, the Crane Company, the Acme Steel Company, the American Steel Foundries, and the Chicago By-Product Coke Corporation, all in the Northern District of Illinois; by the East Chicago Dock Terminal in the Northern District of Indiana; by the Pittsburgh Plate Glass Company (Crystal City, Mo., plant), in the Western District of Pennsylvania; by the Texas Company in the Southern District of Texas; by the Goodman Lumber Company in the Eastern District of Wisconsin; three suits by the Wheeling Steel Corporation in the Northern District of West Virginia; by the Warren Foundries Corporation in the District of New Jersey; by the Staley Company in the Southern District of Illinois; by the Louisiana Development Company in the Eastern District of Louisiana; by the A. O. Smith Corporation in the Eastern District of Wisconsin and by the Louisville Cement Company in the Western District of Kentucky. (These cases are summarized in the Commission's Forty-ninth Annual Report, pages 106-110;

Goodman Lumber Company v. United States and *A. O. Smith Corporation v. United States*, 301 U. S. 669).

With this large number of cases, requests were made of the Commission by District Judges and counsel for postponement of the orders to meet the convenience of the court or of counsel. Many of these requests were granted, and some postponement orders were entered even after the courts, exercising their superior judicial power, had granted interlocutory injunctions against the Commission's orders. Appellants' case for the impounded funds rests upon the alleged conflict between the Commission's action postponing the effective dates and the court's action in granting the preliminary injunctions. The Court will note that in every order the Commission made postponing the effective date, there was a further provision "that the said order shall in all other respects remain in full force and effect." (R. 133; 133-134; 134; R. 80). The Commission's findings made long before that the carriers were paying the industries allowances not permitted by law because not covering common-carrier services, were in no way modified, nor have such findings ever been modified.

It was natural that some of these cases should progress in the District Courts faster than others.

Fiftieth Annual Report, pages 116-121, and Fifty-first Annual Report, pages 119-126).

Among the first decided by lower courts were six cases in the Western District of Pennsylvania, reported in *American Sheet & Tin Plate Company v. United States*, 15 F. Supp. 711, May 23, 1936. The large number of suits brought within a relatively short time, with the statutory requirement for a court of three judges, imposed a heavy burden on Federal courts. Knowing that the six Pittsburgh cases, before referred to, were being appealed to this Court, and that the principles of law announced in such decision would have bearing on the issues before them, it was also natural for the District Courts to hold the cases in *status quo*, pending the decision of this court, especially where it was felt that the interests of the litigants could be adequately protected by the impounding of the funds or the requirement for bonds pending appeal. The result was that (besides the six Pittsburgh cases where interlocutory injunctions were also granted), the District Courts, in 27 cases which were heard on applications for interlocutory injunctions, granted the injunctions in 24 cases * and de-

* Besides the six Pittsburgh cases, the 24 cases in which preliminary injunctions were granted by three-judge courts and dates of the granting of such injunctions were:

Elgin, Joliet & Eastern Case, Northern District of Indiana, October 10, 1935; Standard Oil Company of Louisiana, Eastern District of Louisiana, July 12, 1935; Keystone Steel & Wire Company, Southern District of Illinois, August 13, 1935; Sheffield Steel Corporation, Western District of Missouri, September 7, 1935; The Celotex Company, Pan American Petroleum Corporation, The

nied them in only three.⁸ In the 24 cases in which preliminary injunctions were granted, withholding

Magnolia Petroleum Corporation, The Gulf Refining Terminal Company, Humble Oil & Refining Company, The Texas Company, the Great Southern Lumber Company (consolidated) by the District Court for the Eastern District of Louisiana and the Southern District of Texas on August 19, 1935; Inland Steel Company Case, by the U. S. District Court for the Northern District of Illinois on August 28, 1935; Kansas City Power & Light Company Case, U. S. District Court for the Western District of Missouri on September 4, 1935; Great Lakes Steel Corporation Case, Eastern District of Michigan on August 31, 1935; Interlake Iron (Duluth Plant) Case, U. S. District Court, Northern District of Illinois, on September 13, 1935; East Chicago Dock Case, by the U. S. District Court, Northern District of Indiana, on October 10, 1935; Crane Company Case, by the U. S. District Court for the Northern District of Illinois, on November 25, 1935; Goodman Lumber Company Case, by the U. S. District Court for the Eastern District of Wisconsin, on April 28, 1936; in three cases brought by the Wheeling Steel Corporation, in the U. S. District Court for the Northern District of West Virginia, preliminary injunctions were granted on March 19, 1936; in cases involving the Acme Steel Company, American Steel Foundries and the Chicago By-Product Coke Company, interlocutory injunctions were granted in these three cases on December 2, 1936, by the U. S. District Court for the Northern District of Illinois.

⁸ The three cases in which interlocutory injunctions were denied were: *Koppers Company v. United States*, involving the Commission's order in *Minnesota By-Product Coke Company*, 209 I. C. C. 421, by the U. S. District Court for the District of Minnesota, 11 F. Supp. 467; in the *Timken Roller Bearing Case*, preliminary injunction was denied on August 20, 1935; by the U. S. District Court for the Northern District of Ohio, and on November 30, 1936, the U. S. District Court for the Eastern District of Louisiana denied a preliminary injunction in the case growing out of the Commission's report in the *Louisiana Development Company Case*, 218 I. C. C. 276. See 18 F. Supp. 629.

and impounding of the funds by the carriers, or the giving of bonds by the industries, were required as conditions to the issuance of the injunctions in 23 cases,⁶ while no such requirement was made in but one case.⁷

With these general statements and background, we approach the facts in the two appeals before the Court, again directing your attention to the fact that while there were six cases in the lower court, (R. 81-92) all upon practically the same footing,

⁶ These cases were the Elgin, Joliet & Eastern Case, Northern District of Indiana; Standard Oil Company of Louisiana Case, Eastern District of Louisiana; Keystone Steel & Wire Case, Southern District of Illinois; Sheffield Steel Corporation Case, Western District of Missouri; Celotex Company Case and Pan American Petroleum Corporation Case, Eastern District of Louisiana; Magnolia Petroleum Case, Gulf Refining Terminal Case, Humble Oil & Refining Company Case, and the Texas Company Case, all in the Southern District of Texas; Great Southern Lumber Company Case, Eastern District of Louisiana; Inland Steel Company Case, Northern District of Illinois; Kansas City Power & Light Company Case, Western District of Missouri; Great Lakes Steel Corporation Case, Eastern District of Michigan; Interlake Iron Corporation Case (Duluth plant), Northern District of Illinois; Crane Company Case, Northern District of Illinois; Goodman Lumber Company Case, Eastern District of Wisconsin; three Wheeling Steel Corporation Cases, Northern District of West Virginia; Acme Steel Company Case, American Steel Foundries Company Case, and Chicago By-Product Coke Company Case, all in the U. S. District Court for the Northern District of Illinois.

⁷ The one case in which no bond or impounding provision was required upon the granting of the interlocutory injunction was the East Chicago Dock Terminal Company Case, U. S. District Court for the Northern District of Indiana.

appeals in but two cases have been taken. (R. 101; 175).

Inland Steel Case: The Commission's report and order in this case issued July 11, 1935, (R. 66) and the allowances by the Indiana Harbor Belt to the industry were to be discontinued "on or before September 3, 1935". (R. 71) Petitioner filed its petition in equity to set aside the Commission's order on August 5, 1935 (R. 1) and the Court's interlocutory injunction—made upon motion of plaintiff—"pending the final order of the court herein" (R. 78) was granted August 28, 1935 (R. 78). By this injunction the sums payable to appellant under the allowance tariff, were to be set up by the railroad "on its books of account, which sums so set up shall be paid over to plaintiff, or canceled, only upon the further order of this Court, plaintiff by its counsel having agreed in open court to such arrangement, without prejudice." (R. 80)

Before the suit was filed, petitioner importuned the Commission (on July 19, 1935) to vacate its prior order or to postpone the effective date thereof, which request was denied by the Commission on July 26, 1935. (R. 4.) Then this suit was brought. (R. 1.)

In the meantime the carrier serving the plant, the Indiana Harbor Belt Railroad, issued a cancellation notice in a tariff (R. 99), pursuant to the terms of the Commission's order, that on and after September 3, 1935, it would no longer pay the al-

lowance. After the interlocutory injunction was issued (on August 28, 1935), this carrier filed a cancellation supplement, suspending until further notice its cancellation of the allowance tariff, upon the authority of the interlocutory injunction (R. 100).

These facts demonstrate clearly that, up to the time the Court assumed jurisdiction, there was no overlapping of orders of the Commission with the Court's order issuing a preliminary injunction. So far as this record shows, it was not until February 26, 1937, that the Commission—"good cause appearing therefor"—(R. 95; 133) postponed the effective date of its order to June 15, 1937, the order in all other respects to remain in full force and effect (R. 96; 133). Certain it is that when the suit was filed (R. 1) and when the injunction issued (R. 78) the Commission had expressly refused to postpone the order, which was to be effective September 3, 1935. This is in fact shown in the petition (R. 4).

Regardless of technicalities it is our position that on and after the court exercised its superior judicial authority on August 28, 1935, (R. 78) in granting the interlocutory injunction, inferior administrative action by the Commission, whatever other effect it might have, was of no avail in so far as in conflict with the right of the District Court, under the terms of the interlocutory injunction running "during the pendency of this matter",

(R. 79) to dispose of the funds withheld by its order.

Chicago By-Products Case: The facts in this case are a little different, although governed by the same legal principles. The Commission's Fifty-sixth Supplemental Report, covering this plant, was issued May 28, 1936, (R. 118) to become effective July 17, 1936 (R. 124). On June 30, 1936, pursuant to motion filed by appellant, (R. 134) the effective date of the order was postponed to October 15, 1936, (R. 134) and another postponement, pursuant to a similar motion, (R. 133) until December 15, 1936, (R. 133-134) was granted. By both postponement orders, provision was made that, in other particulars the order "shall in all other respects remain in full force and effect". (R. 133-134; R. 134.) The petition was filed on September 2, 1936, (R. 105) reference made therein to the order of postponement until October 15, 1936, (R. 109) and an interlocutory injunction and other relief prayed. (R. 117-118.) The District Court assembled and on December 2, 1936, (R. 131) issued an interlocutory injunction restraining the Commission's order, which at that time was to become effective on December 15, 1936. (R. 131.) By this injunction the sums payable to appellant under the allowance tariff, were to be withheld by the respective carriers "until the further order of the court". (R. 132.) Both post-

ponements it will be recalled, were made on motion of appellants. (R. 133; R. 134.)

In the meantime the carriers involved in this case issued cancellation notices in their tariffs (R. 142; 160-161) providing that, under the Commission's order, on and after July 17, 1936, they would no longer pay the allowances provided for in the tariffs. These cancellation supplements were postponed from time to time as a result of the Commission's postponement orders (R. 143; 144; 145; 164; 165) and finally, the carriers concerned filed notices that, because of the interlocutory injunction granted on December 2, 1936, the tariffs cancelling the allowances would be withdrawn (R. 145; 166).

It is thus shown that on December 2, 1936, the court granted an interlocutory injunction, with the withholding of payments provision (R. 132) to restrain the order then to become effective December 15, 1936 (R. 131). No action was taken by the Commission between its order of September 10, 1936, (R. 133) effective December 15, 1936 (R. 134) and its subsequent order of February 26, 1937, effective June 15, 1937 (R. 80).

It is our position here, too, that regardless of technicalities, the matter that is of legal significance is that, on December 2, 1936, the Court restrained the operation of the Commission's order as amended, then effective December 15, 1936, (R. 131) "during the pendency of this matter" (R. 132) and that thereafter any order of the Commission purporting to extend the effective date of the

order again, could have no effect upon the right of the District Court to order disposition of the impounded funds. (R. 132.) We submit that after the entry of the interlocutory injunctions neither the Commission, the carriers nor the appellants could legally change the situation required by the court to be maintained.

Under the terms of the interlocutory injunctions the respective carriers have set up on their books and now hold large sums of money which, but for such injunctions, would have remained in their general funds. Having caused these funds to be so segregated, it is obvious that, since the Commission's order is now admittedly valid, the court below should, as it did, decree that said accounts should be canceled and the funds turned into the general treasuries of the respective carriers. (R. 93; 135.) The District Court retained jurisdiction to put the carriers in the same position they would have occupied except for the erroneous granting of the interlocutory injunctions.

That the matter was a discretionary one is not only well-established by your decisions (*Alabama v. United States*, 279 U. S. 229) but also from the jurisdictional statute itself.

U. S. Code, Title 28, Section 46, provides:

Suits to enjoin, set aside, annul or suspend any order of the Interstate Commerce Commission shall be brought in the District Court against the United States. The pendency of such suit shall not of itself stay

or suspend the operation of the order of the Interstate Commerce Commission; but the court, in its discretion, may restrain or suspend, in whole or in part, the operation of the Commission's order pending the final hearing and determination of the suit.

Section 15 (2) of the Interstate Commerce Act provides that

Except as otherwise provided in this part, all orders of the Commission, other than orders for the payment of money, shall take effect within such reasonable time, not less than 30 days, and shall continue in force until its further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction.

This provision indicates, what seems to us apparent, that when the court annuls an order of the Commission "during the pendency of this matter" (R. 79; 132) orders of the Commission in conflict therewith, in so far as judicial proceedings are concerned, are superseded.

In the cases at bar, in order to have decrees requiring the segregated allowances to be paid over to them, appellants must make out that a fixed and certain duty has been laid upon the court to make the carriers pay the price of a subsequently-determined mistake of the court in issuing its interlocutory injunctions. Clearly, the court is under no such duty. On the contrary, under the doctrine

of *Atlantic Coast Line R. Co. v. Florida*, 295 U. S. 301, the lower court was right in going to the full extent of its powers in order to give the defendant carriers every advantage and benefit, which but for the interlocutory injunctions they would have enjoyed under the orders of the Commission.

As said by District Judge Tuttle, delivering an oral opinion of the Court in *Great Lakes Steel Corporation v. United States*, U. S. District Court, Eastern District of Michigan, In Equity No. 7182, wherein the court had directed an impoundment of funds, after referring to this Court's decisions in the *American Sheet & Tin Plate Case* and in the *Pan American Petroleum Case*, *supra*:

If we had had the benefit of these decisions by the Supreme Court at the time we entered that temporary order it, of course, would not have been entered as it was entered.

In a number of other cases three judge courts have reached the same conclusion. Such cases include:

Wheeling Steel Corporation v. United States, In Equity Nos. 1011, 1012, 1013 (three cases)—U. S. District Court for the Northern District of West Virginia—Final decrees entered May 12, 1938.

Keystone Steel & Wire Company v. United States, In Equity No. 1309—U. S. District Court for the Southern District of Illinois, Northern Division—Final decree entered June 25, 1938.

Interlake Iron Corporation v. United States, In Equity No. 14777; *Acme Steel Company v. United States*, In Equity No. 15240; *American Steel Foundries v. United States*, In Equity No. 15309—United States District Court for the Northern District of Illinois, Eastern Division—Final decrees entered April 27, 1938.

In these seven cases the time within which appeals might have been taken has expired.

Our contention is that the disposition of the impounded funds is dependent upon the final outcome of the suits. If the suits were not well grounded in the first place, as is now conceded, the restrictions upon the funds were properly removed upon the dissolution of the temporary injunctions and the final decrees dismissing the cases.

Appellants suggest that because certain other shippers have been receiving allowances during the progress of other cases, the court should award the accumulated funds to them to prevent discrimination. It is true that in the *Pittsburgh cases*, the lower court, in granting the interlocutory injunctions, did not require the impounding of the allowances during the litigation, or require a bond, as District Courts in other cases did. The failure or refusal of another court to make adequate provision for adjustment of rights at the end of the litigation is no ground for reading out of the lower court's injunctions here the provisions it did have the foresight to include. It has already been pointed out that various District Courts handled

these cases in different ways (pp. 20-22). That some shippers received allowances while the cases were going through the courts is immaterial to the issues here. We have shown that other courts have finally decreed that the carriers retain the impounded funds. Under these facts, would not appellants' success here result in the discrimination they seek to avoid? No question of discrimination between industries was before the Commission or dealt with by it. Also there is authority for urging that the carriers who, pursuant to the erroneous interlocutory decrees of those courts, continued to pay the allowances may obtain judgment for restitution. (*Baltimore & Ohio R. Co. v. United States*, 279 U. S. 781).

Some disposition of these funds was clearly necessary for a proper disposition of the cases, and was required of the District Court even if its attention had not been directed to it, contrary to the fact.

Essentially the question of interpreting its injunctions was one for the lower court, but it is clear that, when granting the injunctions, the court could readily see that no injury would ensue if the injunctions should be dissolved on final hearing as erroneously granted. It is unnecessary to go beyond this Court's decision in the *Tin Plate Case*, 301 U. S. 402, 408, to show the lack of substance to appellants' claim, for as the Court said:

* * * Since the Commission finds that the carriers' service of transportation is com-

plete upon delivery to the industries' interchange tracks and that spotting within the plant is not included in the service for which the line haul rates are fixed, there is power to enjoin the performance of that additional service or the making of an allowance to the industry which performs it.

With transportation service ending on the interchange tracks, it was not the duty of the carrier to make ● payments for services performed beyond those tracks, because not a part of its common carrier obligation.

In *Baltimore & Ohio R. R. Co. v. United States*, 279 U. S. 781, the appellant and other railroads operating between the Mississippi River and the Atlantic Coast were required by the Commission's order to pay certain costs of transferring through freight from the east to the west side of the Mississippi River at St. Louis. They brought suit to set aside the Commission's order and the lower court dismissed the suit. Upon appeal, however, this Court held that the Commission's order was invalid and reversed and remanded the case to the lower court for action consistent with its opinion. The lower court complied with the mandate in so far as it required the setting aside of dismissal and the entry of a decree annulling the Commission's order. It, however, denied an application made by the appellant for the ascertainment of the amount of payments which had been made by it in compliance with the Commission's order afterwards found to be illegal. Upon the second appeal this

Court again reversed the lower court and directed the ascertainment of, and a judgment for, the amount of charges paid by the appellants. Answering the contention of the appellees that the three-judge court, and consequently this Court on appeal, lacked jurisdiction over the matter of the repayment of the charges collected from the appellants, you said (pp. 785-786):

Applicants' application for restitution was in effect an equity proceeding resulting in a final decree. *Perkins v. Fourniquet*, 14 How. 328, 330. When a lower federal court refuses to give effect to or misconstrues our mandate, its action may be controlled by this court, either upon a new appeal or by writ of mandamus. *In re Potts*, 166 U. S. 263, 265. *In re Sanford Fork & Tool Co.*, 160 U. S. 247, 255, and cases cited. It is well understood that this court has power to do all that is necessary to give effect to its judgments. The Act authorizes this appeal.

Moreover the proceeding below out of which the denial of restitution arose is incidental to and in effect a part of the main suit. Under the Act a court of three judges was required for the entry of the decree on the mandate. *Ex parte United States*, *supra*, 424. *Ex Parte Metropolitan Water Co.*, 220 U. S. 539, 544. The jurisdiction of the court so constituted necessarily includes power to make all orders required to carry on such suits and to enforce the rights and obligations of the parties that arise in the litigation. This appeal rests on the same

foundation as did the first. *Arkadelphia Co. v. St. Louis S. W. Ry.*, 249 U. S. 134, 142.

The east side roads are entitled to restitution. The order should have been set aside in the first instance. As a result of the erroneous refusal of the court, the burden of the transfer charges in question was shifted from the west side roads to the east side roads and was by them borne until the order was set aside on the reversal of the decree dismissing the bill. All payments made by appellants in compliance with the invalid order enured to the benefit of the west side roads just as if made directly to them.

The right to recover what one has lost by the enforcement of a judgment subsequently reversed is well established. And, while the subject of the controversy and the parties are before the court, it has jurisdiction to enforce restitution and so far as possible to correct what has been wrongfully done. *Northwestern Fuel Co. v. Brock*, 139 U. S. 216, 219. *Arkadelphia Co. v. St. Louis S. W. Ry Co.*, *supra*, 145. *Ex parte Lincoln Gas Co.*, 256 U. S. 512, 516. When the erroneous decree was reversed and the invalid order was set aside, the law raised an obligation against each of the west side roads to make restitution of the payments made by the east side roads in compliance with the order. And thereupon each of the east side roads became entitled to have the amounts so paid by it together with interest thereon from the dates of such payments at the rate established by the law of the State in which such sums were paid.

In *Atlantic Coast Line R. Co. v. Florida*, 295 U. S. 301, there was involved a question of restitution upon facts succinctly stated by this Court in its opinion (p. 305) as follows:

Freight charges were collected by a railroad carrier in accordance with an order of the Interstate Commerce Commission after the refusal of a United States District Court to declare the order void. Later the decree was reversed by this court without considering the evidence on the ground that the findings of the Commission were incomplete and inadequate. *Florida v. United States*, 282 U. S. 194. Still later the Commission upon new evidence and new findings made the same order it had made before, this court confirming its action after appropriate proceedings. *Florida v. United States*, 292 U. S. 1. The question now is whether restitution is owing from the carrier for the whole or any part of the rates collected from its customers while the first order was in force. * * *

The decision contains this holding (p. 309):

* * * The claimant to prevail must show that the money was received in such circumstances that the possessor will give offense to equity and good conscience if permitted to retain it. * * *

At page 312, you said:

* * * If the processes of the law had been instantaneous or adequate, the attempt at correction would not have missed the mark. * * *

In that case the test prescribed by the Court was thus stated:

* * * To prevail, the claimants must make out that in the circumstances here developed a fixed and certain duty has been laid upon a court of equity to make the carrier pay the price of the blunders of the commerce board in drawing up its findings. * * *. (Id. 314)

The circumstances and legal principles involved make it clear that the District Court's decrees releasing the impounded funds to the railroads should be affirmed.

II. The fact that tariffs providing for the allowances were in force as a result of the District Court's granting of erroneous interlocutory injunctions, is not sufficient to legalize the allowances so that their payment to appellants is required

It is appellants' position that the allowances condemned by the Commission are legally due and payable so long as the tariffs providing for them remain on file with the Commission. This same contention was made in the *American Tin Plate Company case, supra*. At page 408 of that opinion this Court said:

* * * Since the Commission finds that the carriers' service of transportation is complete upon delivery to the industries' interchange tracks, and that spotting within the plants is not included in the service for which the line-haul rates were fixed, there is

power to enjoin the performance of that additional service or the making of an allowance to the industry which performs it.

It is a late day to urge that because allowances are in tariff form, this fact justifies or requires the payment of these sums. In *Merchants Warehouse Co. v. United States*, 283 U. S. 501, it was said (pp. 511-512):

Where a forbidden discrimination is made, the mere fact that it has been long continued and that the machinery for making it is in tariff form, cannot clothe it with immunity. See *Louisville & Nashville R. Co. v. Interstate Commerce Comm.*, 282 U. S. 740. In that case we held that a carrier may not haul private cars of some of its passengers free of charge and deny the privilege to others on the theory that it is using the cars which it carries free, as instrumentalities of transportation. The very selection of the cars of some passengers and not others for the favored treatment was held to be a forbidden discrimination. The order of the Commission upheld there would be futile if discrimination could still be effected by filing an exception to the carrier's tariffs for hauling private cars, designating some private cars as transportation facilities, and then granting allowances to the owners for their use. That, in substance and practical operation, is the effect of the tariff exceptions and the allowances which the present order forbids.

(See also *Interstate Commerce Commission v. Baltimore & Ohio R. Co.*, 225 U. S. 326, 345; *Chicago & Alton Ry. Co. v. United States*, 156 Fed. 558, 560; *Central Railroad Company of New Jersey v. United States*, 229 Fed. 501, 507-509; *Gallagher v. Pennsylvania R. Co.*, 160 I. C. C. 563, 568)

Regardless of publication in tariffs, allowances are "lawful" only when supported by a consideration. To pay shippers for doing their own work is a "mere gratuity". *Mitchell Coal Company v. Pennsylvania R. Co.*, 230 U. S. 247.

The Commission issued definite orders pursuant to its supplemental reports, (R. 70; 124) and it cannot be inferred that the Commission did not intend its findings to be effective immediately. In no subsequent order dealing with the postponement of the effective dates (R. 80; 133; 133-134; 134) has the Commission in any way modified its findings that the allowances were illegal because covering services not common carrier in character.

Appellants also urge that the accrued funds are due and owing to them by virtue of allowance tariffs voluntarily published and on file with the Commission by the various carrier defendants herein. The original allowance tariffs may be said to have been voluntarily published. The Commission's orders, admitted to be valid, required the carriers to cease and desist from paying the allowances prescribed in those tariffs. The carriers had taken steps to cancel the original allowance tariffs pursuant to

the Commission's orders (R. 99; 142). They were suspended by court decrees, (R. 100; 144) ultimately determined to have been erroneous (R. 93; 135). To justify a court in requiring the provisions of a tariff to be adhered to, the tariff must be a legal one, it must not effect an illegal result, and it must not prescribe what the Commission has found to be an unreasonable, preferential or otherwise unlawful rate or practice. Under the circumstances appellants cannot contend that these original allowance tariffs confer upon appellants any rights to the impounded funds, since the essence of the Commission's ruling was that the payments of the allowances to the various industries were illegal and such payments should be stopped.

It is likewise clear that the tariffs filed by the carriers subsequent to the issuance of the interlocutory injunctions cannot be considered either as a voluntary assumption of obligation by the carriers or as an act imposing upon the court any duty of awarding the accrued funds to the appellants. In order to harmonize their tariffs with the injunctions, the carriers filed supplements to their cancellation tariffs suspending the latter and showing that such action was in compliance with the order of the court (R. 100; 145; 166). Under such circumstances the action of the carriers, pursuant to order of the court, cannot be held to be voluntary or to have raised any contractual obligations upon them.

III. The findings of the Commission and of the Court were, under the circumstances, adequate. The interlocutory injunctions were granted at appellants' request, and it is too late now to question the conditions attached to those injunctions

The Commission made findings in each of these cases (R. 70; 123) identical with those found sufficient by this Court in the *American Tin Plate* and *Pan American Petroleum Corporation Cases*, *supra*. The lower court, on final hearing, rendered an opinion, discussing the facts at each of appellants' plants (R. 81; 88) applying the law (R. 90-92) and directing the dismissal of the bills "for want of equity." (R. 92.) The opinion concludes: "The foregoing includes and is adopted by us as our findings of fact and conclusions of law." (R. 92.) We don't understand those findings are questioned. But appellants contend that the decrees in authorizing and directing the carriers—defendants below—to withhold payments to appellants (referring of course to the interlocutory decrees, which alone had the impounding provisions) were not supported by any evidence or by any findings of fact, as required by Equity Rule 70½ (R. 181; 184). This contention is made despite the fact that the court in its interlocutory injunction in the *Inland Steel Company Case*, stated that "plaintiff by its counsel having agreed in open court to such arrangement, without prejudice" (R. 80), referring to the separate maintenance of

accounts and withholding of the monies. The language in the interlocutory injunction in the *Chicago By-Product Coke Company Case* (R. 131-132) though worded somewhat differently, in substance, is the same, because, as stated by the court, the injunction was granted "upon motion of plaintiff for such interlocutory injunction pending the final order of the court herein." (R. 131.) These interlocutory injunctions were granted by the District Court at the earnest solicitation of appellants on August 28, 1935, (R. 80) in the one case and on December 2, 1936, (R. 132) in the other, with not a word of complaint against such injunctions until after final decrees in each case, on April 27, 1938, had been entered (R. 93; 135), dismissing the bills. In their motions to modify the final decrees filed May 25, 1938, appellants raised for the first time the question as to the adequacy of the findings of the District Court in granting the interlocutory injunctions (R. 96; 139). Under the circumstances, appellants' position in attacking the interlocutory injunctions is a difficult one. The statute permits an appeal from an order granting or denying an interlocutory injunction, but such appeal must be taken within 30 days (38 Stat. L. 220).

Further, this Court's Equity Rule 70 $\frac{1}{2}$, dated November 25, 1935, requiring findings of fact in cases involving interlocutory injunctions was not in effect at the time of the lower court's injunction in the *Inland Steel Company Case*, August 28, 1935 (R. 78), although it was effective when the in-

junction in the *Chicago By-Product Coke Company Case*, dated December 2, 1936 (R. 131), was granted.

Irrespective of this, however, we submit that findings are not required in a case of this kind where all the District Court is asked to do is to interpret the provisions of its own previously-issued interlocutory injunctions. This is merely the completion by the court of the jurisdiction assumed by it, at the solicitation of appellants.

As said by this Court in *Atlantic Coast Line v. Florida, supra*, at p. 314:

* * * This District Court whose decree we are reviewing was organized to pass upon the question whether the challenged order of the Commission should be vacated or upheld. 28 U. S. C. § 47. Whatever power it has to compel restitution by the carrier of items subsequently collected derives from that primary jurisdiction and is ancillary thereto. In the exercise of that power it is not required to lend its aid in perpetuating a forbidden practice. * * *

Having invoked the court's authority to issue such injunctions, and having silently agreed to the provisions thereof over a long period of time, without objection, viz., until after the final decrees of April 27, 1938, appellants could not question the sufficiency of the findings for the first time, as they attempted to do, in their motions to modify the final decrees, filed May 25, 1938. (R. 94; 136).

CONCLUSION

It is inconceivable that this Court would sanction an award to losing litigants of funds accumulated following the subject matter of the controversy. Such action would amount to a reward for bringing and prosecuting suits not well founded and would be contrary to principles and practices in equity courts.

We conclude with your language in *Arkadelphia Co. v. St. Louis S. W. Ry. Co.*, 249 U. S. 134, 145-146:

* * * Where plaintiff had judgment and execution and defendant afterwards sued out a writ of error, it was regularly a part of a judgment of reversal that the plaintiff in error "be restored to all things which he hath lost by occasion of the said judgment"; and thereupon, in a plain case, a writ of restitution issued at once; but if a question of fact was in doubt, a writ of *scire facias* was first issued. * * *. The doctrine has been most fully recognized in the decisions of this court. * * *.

That a course of action so clearly consistent with the principles of equity is one proper to be adopted in an equitable proceeding goes without saying. It is one of the equitable powers, inherent in every court of justice so long as it retains control of the subject-matter and of the parties, to correct that which has been wrongfully done by virtue of its process. *Northwestern Fuel Co. v. Brock*, 139 U. S. 216, 219; *Johnston & Bowers*, 69 N. J. L. 544, 547.

The decrees of the District Court should be affirmed in their entirety.

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ELMER B. COLLINS,
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Assistant Attorney General.

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*Chief Counsel,
Interstate Commerce Commission,
Of Counsel.*

DECEMBER 1938.

APPENDIX

Pertinent provisions of the Interstate Commerce Act are:

Section 1, subdivision 3, provides:

(3) The term "common carrier" as used in this part shall include all pipe-line companies; express companies; sleeping-car companies; and all persons, natural or artificial, engaged in such transportation as aforesaid as common carriers for hire. Wherever the word "carrier" is used in this part it shall be held to mean "common carrier." The term "railroad" as used in this part shall include all bridges, car floats, lighters, and ferries used by or operated in connection with any railroad, and also all the road in use by any common carrier operating a railroad, whether owned or operated under a contract, agreement, or lease, and also all switches, spurs, tracks, terminals, and terminal facilities of every kind used or necessary in the transportation of the persons or property designated herein, including all freight depots, yards, and grounds, used or necessary in the transportation or delivery of any such property. The term "transportation" as used in this part shall include locomotives, cars, and other vehicles, vessels, and all instrumentalities and facilities of shipment or carriage, irrespective of ownership or of any contract, express or implied, for the use thereof, and all services in connection with the receipt, delivery, elevation, and transfer in transit,

ventilation, refrigeration or icing, storage, and handling of property transported.

Section 6, subdivisions 1 and 7, reads:

SEC. 6. [*Amended March 2, 1889, June 29, 1906, June 18, 1910, August 24, 1912, August 29, 1916, February 28, 1920, and August -9, 1935.*] [*U. S. Code, title 49, sec. 6.*]

(1) That every common carrier subject to the provisions of this part shall file with the Commission created by this part and print and keep open to public inspection schedules showing all the rates, fares, and charges for transportation between different points on its own route and between points on its own route and points on the route of any other carrier by railroad, by pipe line, or by water when a through route and joint rate have been established. If no joint rate over the through route has been established, the several carriers in such through route shall file, print and keep open to public inspection as aforesaid, the separately established rates, fares, and charges applied to the through transportation. The schedules printed as aforesaid by any such common carrier shall plainly state the places between which property and passengers will be carried, and shall contain the classification of freight in force, and shall also state separately all terminal charges, storage charges, icing charges, and all other charges which the Commission may require, all privileges or facilities granted or allowed and any rules or regulations which in any wise change, affect, or determine any part or the aggregate of such aforesaid rates, fares, and charges, or the value of the service rendered to the passenger, shipper, or consignee.

Such schedules shall be plainly printed in large type, and copies for the use of the public shall be kept posted in two public and conspicuous places in every depot, station, or office of such carrier where passengers of freight, respectively, are received for transportation, in such form that they shall be accessible to the public and can be conveniently inspected. The provisions of this section shall apply to all traffic, transportation, and facilities defined in this part.

(7) No carrier, unless otherwise provided by this part, shall engage or participate in the transportation of passengers or property, as defined in this part, unless the rates, fares, and charges upon which the same are transported by said carrier have been filed and published in accordance with the provisions of this part; nor shall any carrier charge or demand or collect or receive a greater or less or different compensation for such transportation of passengers or property, or for any service in connection therewith, between the points named in such tariffs than the rates, fares, and charges which are specified in the tariff filed and in effect at the time; nor shall any carrier refund or remit in any manner or by any device any portion of the rates, fares, and charges so specified, nor extend to any shipper or person any privileges or facilities in the transportation of passengers or property, except such as are specified in such tariffs.

Section 12 (1) of the Act provides:

SEC. 12. [*As amended March 2, 1889, February 10, 1891, February 28, 1920, and August 9, 1935.*] [*U. S. Code, title 49, sec. 12.*] (1) That the Commission hereby created shall have authority to inquire into

the management of the business of all common carriers subject to the provisions of this part, and shall keep itself informed as to the manner and method in which the same is conducted, and shall have the right to obtain from such common carriers full and complete information necessary to enable the Commission to perform the duties and carry out the objects for which it was created; and the Commission is hereby authorized and required to execute and enforce the provisions of this part; and, upon the request of the Commission, it shall be the duty of any district attorney of the United States to whom the Commission may apply to institute in the proper court and to prosecute under the direction of the Attorney General of the United States all necessary proceedings for the enforcement of the provisions of this part and for the punishment of all violations thereof, and the cost and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States; and for the purposes of this part the Commission shall have power to require by subpoena, the attendance and testimony of witnesses and the production of all books, papers, tariffs, contracts, agreements, and documents relating to any matter under investigation.

The provisions of Section 13, subdivisions 1 and 2 are:

SEC. 13. [*As amended June 18, 1910, February 28, 1920, and August 9, 1935.*] [*U. S. Code, title 49, sec. 13.*] (1) That any person, firm, corporation, company, or association, or any mercantile, agricultural, or manufacturing society or other organiza-

tion, or any body politic or municipal organization, or any common carrier, complaining of anything done or omitted to be done by any common carrier subject to the provisions of this part, in contravention of the provisions thereof, may apply to said Commission by petition, which shall briefly state the facts; whereupon a statement of the complaint thus made shall be forwarded by the Commission to such common carrier, who shall be called upon to satisfy the complaint, or to answer the same in writing, within a reasonable time, to be specified by the Commission. If such common carrier within the time specified shall make reparation for the injury alleged to have been done, the common carrier shall be relieved of liability to the complainant only for the particular violation of law thus complained of. If such carrier or carriers shall not satisfy the complaint within the time specified, or there shall appear to be any reasonable ground for investigating said complaint, it shall be the duty of the Commission to investigate the matters complained of in such manner and by such means as it shall deem proper.

(2) Said Commission shall, in like manner and with the same authority and powers, investigate any complaint forwarded by the railroad commissioner or railroad commission of any State or Territory at the request of such commissioner or commission, and the Interstate Commerce Commission shall have full authority and power at any time to institute an inquiry, on its own motion, in any case and as to any matter or thing concerning which a complaint is authorized to be made, to or before said Commission by any provision of this part, or concerning

which any question may arise under any of the provisions of this part, or relating to the enforcement of any of the provisions of this part. And the said Commission shall have the same powers and authority to proceed with any inquiry instituted on its own motion as though it had been appealed to by complaint or petition under any of the provisions of this part, including the power to make and enforce any order or orders in the case, or relating to the matter or thing concerning which the inquiry is had excepting orders for the payment of money. No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

Section 15, subdivisions 1, 2, 13, and 14, read as follows:

SEC. 15. [*As amended June 29, 1906, June 18, 1910, February 28, 1920, March 4, 1927, June 19, 1934, and August 9, 1935.*] [*U. S. Code, title 49, sec. 15.*] (1) That whenever, after full hearing, upon a complaint made as provided in section 13 of this part, or after full hearing under an order for investigation and hearing made by the Commission on its own initiative, either in extension of any pending complaint or without any complaint whatever, the Commission shall be of opinion that any individual or joint rate, fare, or charge whatsoever demanded, charged, or collected by any common carrier or carriers subject to this part for the transportation of persons or property as defined in the first section of this part, or that any individual or joint classification, regulation, or practice whatsoever of such carrier or carriers subject to the provisions of this part, is or will be unjust or unreasonable or

unjustly discriminatory or unduly preferential or prejudicial, or otherwise in violation of any of the provisions of this part, the Commission is hereby authorized and empowered to determine and prescribe what will be the just and reasonable individual or joint rate, fare, or charge, or rates, fares, or charges, to be thereafter observed in such case, or the maximum or minimum, or maximum and minimum, to be charged (or, in the case of a through route where one of the carriers is a water line, the maximum rates, fares, and charges applicable thereto), and what individual or joint classification, regulation, or practice is or will be just, fair, and reasonable, to be thereafter followed, and to make an order that the carrier or carriers shall cease and desist from such violation to the extent to which the Commission finds that the same does or will exist, and shall not thereafter publish, demand, or collect any rate, fare, or charge for such transportation other than the rate, fare, or charge so prescribed, or in excess of the maximum or less than the minimum so prescribed, as the case may be, and shall adopt the classification and shall conform to and observe the regulation or practice so prescribed.

(2) Except as otherwise provided in this part, all orders of the Commission, other than orders for the payment of money, shall take effect within such reasonable time, not less than thirty days, and shall continue in force until its further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction.

(13) If the owner of property transported under this part directly or indirectly renders any service connected with such transportation, or furnishes any instrumentality used therein, the charge and allowance therefor shall be no more than is just and reasonable, and the Commission may, after hearing on a complaint or on its own initiative, determine what is a reasonable charge as the maximum to be paid by the carrier or carriers for the services so rendered or for the use of the instrumentality so furnished, and fix the same by appropriate order, which order shall have the same force and effect and be enforced in like manner as the orders above provided for under this section.

(14) The foregoing enumeration of powers shall not exclude any power which the Commission would otherwise have in the making of an order under the provisions of this part.

Section 46, Title 48, U. S. Code, reads as follows:

[*Judicial Code, section 208.*] Suits to enjoin, set aside, annul, or suspend any order of the Interstate Commerce Commission shall be brought in the district court against the United States. The pendency of such suit shall not of itself stay or suspend the operation of the order of the Interstate Commerce Commission; but the court, in its discretion, may restrain or suspend, in whole or in part, the operation of the Commission's order pending the final hearing and determination of the suit. (June 18, 1910, c. 309, sec. 3, 36 Stat. L. 542; Mar. 3, 1911, c. 231, sec. 208, 36 Stat. L. 1149; Oct. 22, 1913, c. 32, 38 Stat. L. 219.)

SUPREME COURT OF THE UNITED STATES.

Nos. 227, 228.—OCTOBER TERM, 1938.

Inland Steel Company, Appellant,
227 vs.
The United States of America, Interstate
Commerce Commission and Indiana
Harbor Belt Railroad Company.

Chicago By-Product Coke Company,
Appellant,
228 vs.
The United States of America, Interstate
Commerce Commission, The Belt Rail-
way Company of Chicago, et al.

Appeals from the District Court of the United States for the Northern District of Illinois.

[January 30, 1939.]

Mr. Justice BLACK delivered the opinion of the Court.

In No. 227, after full hearings the Interstate Commerce Commission, on July 11, 1935, found and reported¹ that the Indiana Harbor Belt Railroad was engaged in the practice of paying an allowance for appellant's service in spotting cars in appellant's plant;² that appellant was performing this plant service for its own convenience; that the Railroad was under no legal obligation to spot the cars and therefore the allowance was paid for service for which the Railroad was not compensated under line-haul rates; that the allowance was unlawful and afforded appellant a preferential service, not accorded to shippers generally, amounting to refund or remission of part of the rates charged or collected as compensation for transporting freight. On the same date, an order of the Commission incorporated its report and findings, including the finding that "by the payment of said allowances the Indiana Belt Railroad Company violates the Interstate Commerce Act." This order also directed the Railroad to "cease and desist on or

¹ 209 I. C. C. 747; 216 I. C. C. 8 (No. 228).

24 "Spotting" involves handling of cars between the point of interchange between the Railroad and appellant and the points at which such cars are unloaded or loaded in appellant's plant.

before September 3, 1935, and thereafter to abstain from such unlawful practice."

August 28, 1935, upon petition of appellant, the District Court, three judges sitting, granted an interlocutory injunction by which the Commission's report and order were "suspended, stayed, and set aside"—"pending the further order of the court"; the Commission was restrained and enjoined from enforcing them; and, the Railroad having previously given public notice that its published tariff providing for the allowance would be cancelled as of September 3, 1935, in accordance with the Commission's order, the injunction suspended the effective date of the cancellation. But the interlocutory injunction also provided "that until the further order of the Court, any and all sums due and payable to plaintiff [appellant], under the . . . tariff providing said allowance, shall be set up by defendant Indiana Harbor Belt Railroad Company on its books of account, which sums so set up shall be paid over to . . . [appellant], or canceled, only upon the further order of this Court, [appellant] . . . by its counsel having agreed in open court to such arrangement, without prejudice."

February 26, 1937, the Commission entered an order purporting to extend the effective date of its command to "cease and desist" to June 15, 1937, but specifically provided that its order of July 11, 1935, should "in all other respects remain in full force and effect."

April 27, 1938, the District Court dismissed appellant's petition for want of equity, dissolved the interlocutory injunction, and ordered the accrued allowances that had been set aside in a special account by the Railroad as required by the interlocutory injunction to "be retained by . . . [the Railroad] as a part of its general funds and said account canceled."

Appellant concedes the correctness of the District Court's decree holding the Commission's order valid, dismissing the petition and denying a permanent injunction.³ The appeal only seeks a review of the Court's action in ordering that the unlawful allowances accumulated after the date of the interlocutory injunction be retained by the Railroad and not paid to appellant.

First. In granting the interlocutory injunction, the District Court proceeded under a jurisdictional Act which provides that

³ See. *United States v. American Sheet & Tin Plate Co.*, 301 U. S. 402; *Pan-American Petroleum Corp. v. United States of America, et al.*, 304 U. S. 156.

" . . . the court, in its discretion, may restrain or suspend, in whole or in part, the operation of the commission's order pending the final hearing and determination of the suit."⁴ Appellant invoked the Court's equity powers.⁵

A Court of Equity "in the exercise of its discretion, frequently resorts to the expedient of imposing terms and conditions upon the party at whose instance it proposes to act. The power to impose such conditions is founded upon, and arises from, the discretion which the court has in such cases, to grant, or not to grant, the injunction applied for. It is a power inherent in the court, as a court of equity, and has been exercised from time immemorial."⁶

In the exercise of its discretion, the District Court imposed conditions in its decree granting appellant's petition for an interlocutory injunction. Appellant neither objected to the conditions nor sought review of the Court's action in imposing them, but under the interlocutory injunction enjoyed for three years the suspension—which it had sought—of the Commission's order, pending litigation. Now, the litigation ended, appellant insists that the District Court lacked jurisdiction to do more than vacate its interlocutory injunction and dismiss the petition, since no pleadings of the Railroad or the Commission sought the creation of the special allowance account. But this overlooks the governing principle that it is the duty of a court of equity granting injunctive relief to do so upon conditions that will protect all—including the public—whose interests the injunction may affect.⁷ And the Commission, in defending its report and order, acted under its statutory duty as the representative of the interest which the public, as well as the railroads, have in the maintenance of fair, reasonable and non-discriminatory transportation practices.⁸ Moreover, in intervening the Commission prayed that it have "the benefit of such . . . decrees or relief as may be just and proper."

The Interstate Commerce Commission has primary jurisdiction to determine whether the granting of allowances for services per-

⁴ 28 U. S. C. 46.

⁵ Cf., *Ford Motor Co. v. National Labor Relations Board*, — U. S. —.

⁶ *Russell v. Farley*, 105 U. S. 433, 438, *Meyers v. Block*, 120 U. S. 206, 214.

⁷ *Central Kentucky Co. v. Comm'n.*, 290 U. S. 264, 271.

⁸ *Arkadelphia Co. v. St. Louis S. W. Railway Co.*, 249 U. S. 134, 146; *Smith v. Interstate Com. Comm.*, 245 U. S. 33, 42, 43, 45; cf., *Ex parte Lincoln Gas Co.*, 256 U. S. 512, 517; 49 U. S. C. §§ 15a, 43.

formed by shippers constitutes a discriminatory practice.⁹ Here, in the exercise of its primary jurisdiction, the Commission considered the technical questions involved and made findings that the Railroad's practice was unlawfully preferential and discriminatory. In doing so, the Commission was acting in the interest of shippers generally and in behalf of the public and the national railroad system. The District Court, at the behest of this appellant, restrained the enforcement of the Commission's report and order embodying these findings. While thus acting in the interest of a single shipper, the Court properly took steps to protect the other interests—represented by the Commission—from injuries that the injunction might cause. It did so by ordering the payments, which the Commission had found unlawful, to be continued—on condition that they be segregated or paid into a separate account, pending the Court's review of the Commission's finding of illegality. This segregated account thus accrued as a result of judicial restraint of administrative proceedings in which the payments had been declared unlawful. When the Court finally determined that the administrative findings and order were correct, appellant could claim an interest in the fund only by asserting a right to payments forbidden by law, and it became the duty of the Court promptly to allocate the fund to its lawful owner.

An Equity Court having lawful control of a fund, in which there may be interests represented only by a duly authorized governmental agency, has the power and is charged with the duty of protecting those interests in disposing of the fund.¹⁰ Otherwise, rights (such as the right of this Railroad to restitution) might be impaired or cut off while an interlocutory injunction is in effect, as for instance by statutes of limitation. Here, the Court had the power and it was its duty so to fashion its equitable decree that appellant should not be the beneficiary of unlawful payments, and to prevent the dissipation of the Railroad's assets through unlawful preferences.

Second. Appellant further insists that the Court had no power to impose the particular conditions here, because the Railroad was ordered to retain (in a special account) allowances provided for in its published tariff. This contention rests on the statutory require-

⁹ *Mitchell Coal & Coke Co. v. Penn. R. R. Co.*, 230 U. S. 247; *St. Louis Etc. Ry. v. Brownsville Dist.*, 304 U. S. 295; *Texas & Pac. Ry. v. Abilene Cotton Oil Co.*, 204 U. S. 426.

¹⁰ *Central Kentucky Co. v. Comm'n.*, *supra*.

ment that published tariffs must be observed.¹¹ However, before the Court acted, the Commission had found and reported—and had incorporated its findings and report in an order—that these allowances provided in the published tariff were unlawful preferences violating the Interstate Commerce Act. The Commission had also ordered that payment of the unlawful allowances cease, and the Railroad had already—in obedience to the Commission's order—published a new tariff eliminating the allowance provision. But, six days before the new tariff would by its terms have become effective, appellant sought and obtained the preliminary injunction which did not destroy, but tentatively suspended the Commission's report and order and also tentatively suspended the Railroad's tariff canceling the unlawful allowance. The Railroad then republished the old tariff, thus—under court order—restoring the unlawful allowance. When the Court subsequently dismissed appellant's petition and vacated the interlocutory injunction “in all respects”, it thereby found the Commission's report and order valid and they were then in effect as though the injunction had never been granted. Thus, during the period the injunction was pending (save for the first six days), the published tariff had contained the unlawful allowance solely because of the Court's injunction. To sustain the contention of appellant that the provision for allowances in the published tariff limited the authority of the court to prevent their payment would be to clothe a published tariff, in existence solely by reason of equitable intervention, with an immunity from equity itself. The Interstate Commerce Act grants no such immunity.¹²

Third. The appellant takes the position that the Commission's purported postponement of its command to cease and desist (eighteen months after the interlocutory injunction was granted) deprived the Court of authority to enforce the conditions of its interlocutory injunction. However, since the Court had exercised jurisdiction to review and suspend the Commission's report and order, the administrative body was without power to act inconsistently with the Court's jurisdiction, had it attempted to do so.¹³ But, since the Commission had already been enjoined from enforcing its

¹¹ 49 U. S. C. § 6(7).

¹² Cf., *Warehouse Co. v. United States*, 283 U. S. 501, 511.

¹³ Cf., *Ford Motor Co. v. Nat'l Labor Relations Board*, *supra*. It is, therefore immaterial that in No. 228 there were consecutive purported postponements of the command to cease and desist, each entered by the Commission before the expiration of the postponement immediately preceding.

report and order when it entered its postponement, there is no reason to construe the Commission's action as anything more than a recognition of the postponement actually effected by the Court's interlocutory injunction.

In addition, there were two separate aspects to the action of the Commission. It found an illegal practice in existence that involved unlawful disbursement of the Railroad's funds, contrary to the public interest. The Commission also entered a cease and desist order to operate prospectively. Even if the Commission's postponement of the cease and desist portion of its order had been operative, the Commission specifically left in effect its ruling that the allowance was unlawful.¹⁴

The Commission had exercised its primary jurisdiction and had found the allowances unlawful; upon review, the District Court properly approved this finding; the amount in the special allowance account was exactly known and undisputed; this fund could have belonged only to the Railroad or to appellant; the Railroad was in possession of the fund and in equity and good conscience was entitled to retain it. Therefore, there was no necessity to take evidence, and the action of the District Court in disposing of the fund required no additional findings. The final decree of the District Court properly directed that the unlawful allowances should not be paid to appellant, and should be retained by the Railroad.

The questions presented in No. 228 are governed by our conclusions here, and the judgments in both cases are

Affirmed.

A true copy.

Test:

Clerk, Supreme Court, U. S.

¹⁴ Cf. *Terminal Warehouse v. Penn. R. Co.*, 297 U. S. 500, 507, 508. A suit at law based on a past alleged discriminatory practice may be stayed in order to permit the plaintiff to obtain the necessary preliminary ruling by the Commission. See *Morrisdale Coal Co. v. Penna. R. R. Co.*, 230 U. S. 304; *Mitchell Coal & Coke Co. v. Penn. R. R. Co.*, *supra*; *So. Ry. Co. v. Tift*, 206 U. S. 428.